

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
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001. memo	Deepak Bhargava to Brostrom re Personal Data (partial) (1 page)	07/10/1995	P6/b(6)
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COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Molly Brostrom
OA/Box Number: 8399

FOLDER TITLE:

Meeting w/Housing Groups, 7/13/95

2012-0326-S
kc771

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
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Marilyn Kaye
Lee Ann Lovelace

71
Meching w/ HSS Groups 7/95

PHOTOCOPY
PRESERVATION

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MEMORANDUM

TO: Molly Brostrom

FROM: Derek Ho

DATE: July 13, 1995

RE: Note From 7/13/95 Housing Meeting

- policy need aff'd homelessness
= pop wt -> urban areas
Dem claims
- promises
size of cuts

* Reiner - who likes

Please find below notes which may be taken as a fairly comprehensive summary of the meeting which took place today on the issue of affordable housing.

The Participants and Their Organizations

Nan P. Roman represents the National Alliance to End Homelessness, a bipartisan organization which includes non-profit housing providers and was founded in 1983.

Alfred Paul "Bud" Kanitz represents the National Neighborhood Coalition, a coalition of over 4,000 organizations which provide housing in the United States. Founded in 1979, the Coalition emphasizes its ties with HUD and the Community Reinvestment Act (which the House Banking Committee has proposed to repeal). The coalition also emphasizes local control but needs federal support for its continued survival.

Edward Tran, Deepak Bhargava, and Charlotte Sobel all represent the Center for Community Change, an organization which helps communities empower themselves and promote change in their own neighborhoods. The Center emphasizes community control and helps neighborhoods on a free, no-membership basis, as long as they meet certain standards for acceptance and as long as there are sufficient resources at the center. The Center focuses on voter rights, public housing, and deannexation, among others.

Nancy Bernstine represents the National Housing Law Project, which provides legal services for those in public and assisted housing. The Project also focuses on FMHA programs for rural housing assistance as well as homeless programs.

Marc Granowitter represents the National Low Income Housing Coalition, a coalition founded in 1974 to increase affordable and public housing, and Section 8 housing. It has approximately 1000 members. Over the past 3 years, the Coalition has focused on working with state housing coalitions because of the current political trends. Although it has mixed feelings about the move back to the states, it does value the customization which becomes possible when control is increasingly localized.

Gerald Jones represents ACORN, the Association of Communities and Organizations for Reform Now. This group is a large organization which covers many substantive areas, including public housing and voter registration.

Tom Shellabarger represents the U.S. Catholic Conference, which is the largest supplier of homeless shelters in the United States. It is also very active in public housing and Section 8 housing.

The Overview

Bud Kanitz began by giving an overview of the current relationship between the Administration and the housing issue. The central focus of the overview was to express that all public housing and homeless advocates want the President to be more vocal on this important issue. Through his objections to the Appropriations and rescission packages, the President has demonstrated some concern for other issues such as education and nutrition. Yet he has not touched upon a housing and homelessness, which are issues directly related to those of education and nutrition. Kanitz emphasized that housing needs to become part of the discussion with regard to the Appropriations and rescissions packages.

Kanitz also expressed dismay at the Administration's silence at the \$7 billion cut in HUD currently under consideration by the HUD/VA Subcommittee. The provision, which would cut HUD from \$26 billion to \$19 billion, would have a drastic impact on the Department. Kanitz also emphasized that these cuts are in addition to the cuts which HUD suffered under Reagan and Bush: HUD under Carter had a budget of \$33 billion, and was reduced to \$25 billion by 1992.

Kanitz also emphasized his appreciation for the work of HUD Secretary Henry Cisneros, who has been a wonderful leader, even within the Administration. Kanitz views Cisneros as the only high-ranking Administration official who is dedicated to pursuing these issues. Other participants, however, hinted disagreement with Kanitz; Charlotte Sobel noted that Jack Kemp was viewed by some more highly than Cisneros because at least he spoke about the issues and made them visible.

Comments by Other Participants

The remainder of the meeting was split between the other participants, each commenting on the inadequacy of current policy on housing issues. Gerald Jones described as "atrocious" the silence of the administration on the rescission package. Although HUD was 40% of the rescission package, there was no significant public comment on the issue by the President.

In fact, Jones noted that the White House had undercut the position of housing advocates by floating the idea of eliminating HUD altogether, in exchange for a \$100 million put-back into National Service. The President's willingness to give in on this issue encouraged the attacks on HUD and undermined any bargaining power that housing advocates had on the Hill.

Charlotte Sobel also emphasized the need to personalize the issues of housing and homelessness in order to impress on a weary public the drastic personal consequences of inaction on this front. Sobel expressed frustration that even members of the Administration have not witnessed these consequences first-hand.

Tom Shellabarger echoed Sobel's comments, noting that one speech by President Clinton on Religion in Schools was able to attract intense media coverage. Yet the President has not used his power with the media to discuss the issues of housing.

The Reinvention Plan

Gerald Jones and others then began to criticize the reinvention plan, the provision to block grant housing monies to the states, and the provision to voucher-out monies so that low-income people can enter the private home-buying market.

Marc Granowitter emphasized that the voucher program is dangerous because it leaves low-income residents to their own, usually inadequate, devices. Low-income home-buyers would face daunting obstacles: discrimination by landlords, lack of support and safety networks, lack of oversight into landlord-tenant relations. Also, Granowitter argued that the program was inadequate because it simply shifted the cost onto the backs of the poor consumer. The block grant program would also allow reluctant local officials to stymie efforts toward greater access to affordable housing.

The Housing Constituency

Several participants then sounded a warning bell: The low-income housing constituency is mad, not only at the Republicans, but also at the President. The President's neglect has left this constituency in a bad situation, and it is no wonder why they do not vote. As Nan points out, however, there is a horse-cart problem: The low-income housing constituency does not vote because the President is not on their side; but the President does nothing for that constituency because they aren't voting for him.

Legislative Problems

As a summary, the participants described a list of legislative obstacles they currently face:

- 1) The rescission bill
- 2) The HUD/VA Appropriations proposal
- 3) The proposed Brooke Amendment repeal
- 4) Cuts in the modernization program
- 5) The block grant and voucher programs
- 6) Cuts in the homeless fund
- 7) Cuts in Section 8 Assistance
 - proposal to cut 70,000 certificates and to limit reissues to 50%
 - proposed reduction in the Fair Market Rate (FMR) from 45% to 40%

All of these cuts threaten to decrease the market availability of affordable housing, limit access by low-income residents to affordable housing, and drastically increase displacement and despair.

What the President Must Do

Ultimately, in order to avoid these devastating cutbacks, the group noted that the President must make housing an issue when he renegotiates the Appropriations Bill after an

expected initial veto. If not, the President will agree to a revised Appropriations Bill which leaves these cuts intact. If this occurs, mass displacement will undoubtedly ensue.

Request for Meeting with Leon Panetta

Finally, the group requested a meeting with Leon Panetta.

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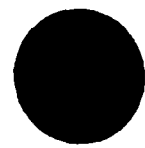
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001



Center for Community Change



MEMORANDUM

TO: Molly Brostrom

FR: Deepak Bhargava, Center for Community Change *DB*

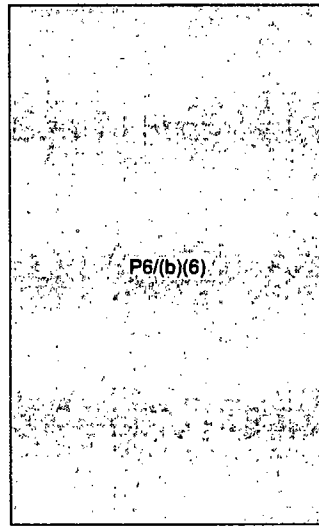
DT: July 10, 1995

RE: Personal Data

Enclosed is the information you requested on the following people who will participate in the meeting on July 13th at 11:00 am.

The Names and Birth dates of the following are: *Rm211*

- Nancy Tyler Bernstine
Nat'l Housing Law Project
- Deepak Bhargava
Center for Community Change
- Marc S. Granowitter
Nat'l Low Income Housing Coalition
- Gerald Cooper Jones, Jr.
ACORN
- Alfred Paul Kanitz
Nat'l Neighborhood Coalition
- Nan P. Roman
Nat'l Alliance to End Homelessness
- Thomas Shellabarger
U.S. Catholic Conference
- Charlotte B. Sobel
Center for Community Change
- Edward Anh Tran
Center for Community Change



Should you need additional information, please do not hesitate to contact me or Teri Tompkins at 202/342-0567.

Thanks.

National Housing Law Project

1315 H STREET, N.W.
SUITE 501
WASHINGTON, D.C. 20006

(202) 783-5140

NANCY T. BERNSTINE
DIRECTOR OF GOVERNMENT RELATIONS

MARY ELLEN HOMBS
LEGAL SERVICES
HOMELESSNESS TASK FORCE

SUSAN E. MONDOA
PARALEGAL OFFICE MANAGER

FAX NO. (202) 347-6765
HN0328

THE BROOKE AMENDMENT SHOULD NOT BE REPEALED

Congress is now considering repeal of the Brooke amendment. That amendment, enacted in 1969, and revised and refined numerous times since then, is the keystone that holds the federal housing assistance programs together, as far as people with the lowest incomes are concerned. It guarantees that poor people do not pay more for public and other assisted housing than they can afford. Without it, the federal housing assistance programs would lose all relevance for the poorest people in this country, because the rents in assisted housing would rise catastrophically above their means.

The history of the Brooke Amendment, which is summarized below, demonstrates why it is so vital and why it must not be repealed. We should learn from that history, not blindly repeat the mistakes of the past.

In 1969, the National Association of Housing and Redevelopment Officials, in its testimony before the Senate Subcommittee on Housing and Urban Affairs, brought to Congress' attention the fact that public housing could no longer continue to serve the lowest income families because of rapidly rising costs. To support that proposition, NAHRO attached to its prepared statement an article written by Albert A. Walsh, Chairman of the New York City Housing Authority. In that article, Mr. Walsh reflected on the fiscal crisis faced by his authority and many others like it. He made the point that public housing, in 1969, faced two choices. It could continue forward with its existing structure of limited federal subsidies and ever escalating rents to cover increased operating costs. Or it could switch to a revised federal subsidy system that would keep the rents affordable and fill the gap with adequate federal operating subsidies.

Mr. Walsh advocated the latter choice, for the following reasons:

If we choose to maintain the status quo, which I might characterize as selecting the fork in the road that leads to the right, I think that we will find that we have embarked on a disastrous detour that leads only to the total failure of the public housing program and eventual abandonment of the goals it has served so well over the past 30 years. Based on our experience in New York City, public housing dwelling units will soon be priced out of the low-income market and a social crisis of major proportions will develop as low-income tenants face the difficult choice of paying a catastrophic proportion of their income for rent -- or returning to the slums.¹

¹Walsh, Is Public Housing Headed For A Fiscal Crisis, 2 Journal of Housing (Feb. 1969), reprinted in Hearings Before the Subcommittee on Housing and Urban Affairs of the Senate Committee on Banking and Currency, 91st Cong., 1st Sess., p. 202 (July 15, 17, 18, 21, 22 and 25, 1969).

We face that same choice today. We can withhold adequate operating subsidies from PHAs and allow them to raise rents to cover the gap between the level of federal funding and the costs of operations. If we choose that option, now as in 1969, we will be embarking upon a disastrous detour that leads only to the total failure of the public housing program. Now, as then, we will face a social crisis of major proportions as the lowest income tenants will be priced out of public housing by rents that consume catastrophic portions of their incomes. Unlike 1969, however, they will not have the choice of returning to the slums, because there is no housing on the private market that can serve them. Instead, now they will become homeless.

In 1969, Congress chose Mr. Walsh's other fork in the road. It enacted the Brooke amendment which capped public housing tenants' rents at 25% of their incomes and made federal subsidies available to close the gap between tenants rents and the costs of operations. In introducing the bill that contained his amendment, Senator Brooke explained that minimum rents needed to pay operating costs were excluding "the very poorest and most needy of our citizens from participation in public housing projects." 115 CONG. REC. 21973 (Aug. 4, 1969). His bill, by capping rents at 25% of income and providing subsidies to cover the rest of the costs, would "insure that the Federal housing programs will at last begin to meet the requirements of our most needy citizens." Id. It would overcome one of the two gross impediments to better housing, "the inability of our poorest citizens to benefit from the units which are available." Id.

Senator Thomas J. McIntyre, of New Hampshire, co-sponsored the bill with Senator Brooke. When the bill was introduced, he explained the need for it as follows:

The crisis in public housing is reaching dramatic proportions. Public housing authorities across the Nation are no longer able to provide adequate maintenance and services for tenants and at the same time preserve the low-rent character of the projects. Even though the Housing Act of 1937, which established the public housing program, stated that the program would serve those "families in the lowest income group" local authorities have been forced to set minimum income requirements and raise rentals in order to meet the rising costs of maintenance and operation. As a result, more and more of the poor and very poor are barred from admission to public housing projects.

115 CONG REC. 21973 (Aug. 4, 1969). The bill would correct that problem by providing operating subsidies and limiting tenants rents to 25% of income. As Senator McIntyre explained:

In this way, minimum rents would no longer be required by the local housing authority. Tenants with the very lowest incomes would be eligible for admission to public housing. It would also mean that tenants already living in public housing will not be spending a disproportionate amount of their incomes for shelter.

In addition, local housing authorities would receive adequate funds to maintain and operate the facilities and to provide needed services to tenants. It would no longer have to resort to the only method available, raising rents, to guarantee residents a decent place to live.

Id. at p. 21974.

When the bill was considered on the floor in September of 1969, Senator Brooke elaborated further on the need for the change. He stated:

Information available from HUD indicates that there are approximately 180,000 tenants in public housing projects who pay in excess of 25 percent of their income for such housing. This problem is further accentuated by inflationary pressures which are increasing operating costs considerably. Many public housing authorities, unable to obtain additional funds to cover these increased costs, are looking to public housing tenants for their source of additional funds. But these public housing tenants are unable, in many cases,

to meet prior payment schedules without allocating a disproportionate share of their income to housing, and they find it impossible to do so as their rental payments increase still further.

We believe that no public housing tenant should pay more than 25 percent of their income for housing; however, we certainly would encourage public housing authorities to charge considerably less where it is economically feasible to do so.

115 CONG. REC. 26,721-22 (Sept. 23, 1969).

No provision comparable to the Brooke Amendment had been included in the housing legislation passed by the House that year. However, in the Conference, the House receded to the Senate on this provision and included a modified version of the Amendment in the Conference Report. On the floor of the house, Representative Leonor Sullivan, from St. Louis, led the supporters of this change. In light of the fiscal crisis faced then by the St. Louis Housing Authority, she forcefully made the case for the modified version of the amendment, as follows:

One of the most troublesome problems we confronted in the conference had to do with a Senate amendment dealing with public housing. The Senate had proposed adding \$75 million to the annual subsidy for public housing to enable housing authorities with a high percentage of very low-income tenants to reduce rents to a level of 25 percent of income. The amendment was well-intentioned, because the poorest people in the projects were often required to pay the highest percentage of their income for housing -- much more than welfare families in many jurisdictions could afford unless they received food stamps to enable them to eat a nearly adequate diet -- and the food stamps are not yet available in every jurisdiction -- these people had a "Hobson's choice" of either purchasing housing and very little else, or purchasing food and living in unimaginable slums.

It has been the policy of Congress for years that low-income tenants in public housing not be required to pay more than 20 percent of their income for shelter. But many housing authorities found it impossible to conform to this standard, particularly as more and more of their public housing families came from the lowest income levels -- on welfare. Minimum rents in public housing in St. Louis and elsewhere eventually rose to a level of 50 percent or more of their total income. Even with food stamps, the welfare families in our public housing projects have found it impossible to approach a minimum standard of living for survival. Yet, despite the high rental levels which the housing authority had to impose in order to meet operating costs, the authority has been in serious financial jeopardy, heading toward bankruptcy. Finally, the authority acceded to community demands to reduce rents to the 25-percent level.

115 Cong Rec 38,778 (Dec. 12, 1969).

The bill agreed upon by the Conferees was passed by both the House and the Senate on December 12, 1969, and signed into law by President Nixon on December 24, 1969. Pub. L. 91-152, 83 Stat. 379.

As in 1969, today we face a choice whether to continue to guarantee our lowest income people access to public housing or to embark on a course that will fence them out. We can repeal the Brooke Amendment and, in Senator Brooke's words, "exclude the very poorest and most needy of our citizens from participation in public housing projects." We can revert to the system, described by Senator McIntyre, under which the PHAs were "forced to set minimum income requirements and raise rentals in order to meet the rising costs of

maintenance and operation. As a result, more and more of the poor and very poor are barred from admission to public housing projects." We can go back to the situation described by Representative Sullivan, in which: "Minimum rents in public housing in St. Louis and elsewhere eventually rose to a level of 50 percent or more of their total income. Even with food stamps, the welfare families in our public housing projects have found it impossible to approach the minimum standard of living for survival." We should not, however, repeat that history.

Another aspect of the history of the Brooke amendment is of particular significance in this time when reverence for local discretion has reached great heights again. Prior to 1959, there was a federal policy that public housing rents not exceed 20 percent of tenants' incomes. Conference Report No. 91-740, 1969 USCCAN p. 1584 (Dec. 10, 1969). In 1959, during a prior era of high reverence for state and local decision-making, Congress enacted the local autonomy amendment to the U.S. Housing Act. That amendment vested in local public housing agencies "the maximum amount of responsibility in the administration of the low-rent-housing program, including responsibility for the establishment of rents and eligibility requirements" Housing Act of 1959, § 501, Public Law 86-372, 73 Stat. 654, 680 (Sept. 23, 1959).

It was that local autonomy amendment that gave PHAs the freedom to raise tenants' rents when they later encountered operating cost increases that out-paced the tenants' income increases. But as Representative Florence P. Dwyer, Republican from New Jersey, explained when the Brooke Amendment was being considered 10 years later:

Ten years ago, in 1959, when we revised that program [public housing] in the name of local autonomy, we had no intention of allowing local public housing authorities to charge higher and higher rents to the poor people as a means of avoiding bankruptcy. Yet, the much higher costs of today are no longer able to be financed out of rental income and in many cases public housing rents now greatly exceed tenants' ability to pay.

115 Cong Rec 38,778 (Dec. 12, 1969).

As it was in 1959, it would be a mistake now to grant PHAs unrestrained freedom to raise rents in the name of deregulation or devolution. The only way the poorest among us are to be assured access to federally assisted housing is to limit rents to a fair percentage of their incomes. The Brooke Amendment does that and thus should not be repealed.

The subsequent history of the Brooke Amendment also has a lesson for today. In 1974, when the entire U.S. Housing Act was being revised, concerns were raised that under the Brooke Amendment, some tenants were paying too little for rent. The committees considered various ways to get at that problem, and came up with a minimum rent set at 10 percent of gross income. They rejected other alternative minimum rents, set at flat levels or at a certain percent of operating costs. The reasons for rejecting those alternatives were explained in the House Report on the 1974 Act, as follows:

The bill requires each tenant in public housing to pay a minimum rent. This minimum rent would be 10 percent of the gross income of the tenant. The committee considered other ways of formulating a minimum rent, most notably as a percentage of unit operating costs. The committee rejected this approach as having too divergent an impact nationwide since operating costs vary in different projects and the lack of any relationship between operating costs and ability to pay would cause undue hardship to many tenants.

H.R. REP. No. 93-1114, 93d Cong., 2d Sess. (June 17, 1994), 373-4.

In that same Report, Representative Moakley, from Massachusetts, in Supplemental views, explained even more clearly the inequities of minimum rents that are unrelated to the tenant's ability to pay:

The concept of a minimum rent for occupants of low-rent housing is a regressive concept with which I cannot concur.

In view of pressure generated by numbers of the Committee for such a provision, I believe the approach of establishing a rent based upon 10% of gross income is far more equitable than other formulas that had been suggested. Specifically, establishing a rent based upon unit operating costs, which had been considered by the Committee, lacked any relationship to ability to pay and would have placed an undue burden on most tenants.

...

It is inconceivable to me that we would look to the residents of public housing, and to the poorest residents at that, for the additional revenue needed, rather than to the subsidy system already mandated by Congress.

Id. at 554-5.

As in 1974, there is now much talk about a minimum rent in public housing. And those proposals are for flat minimums unrelated to the tenant's income, such as \$100 per unit or \$25 per bedroom. They produce the same inequity that the alternatives considered in 1974 created, i.e., they are not related to the tenant's ability to pay and thus impose the harshest burden on those whose incomes are at the bottom. Those kinds of minimums were rejected in 1974, for good reasons, and they should be rejected today, for the same reasons. The 10 percent of gross income minimum enacted in 1974, and still in the law today, should be retained, not replaced by an inequitable alternative.

Another question being raised today is whether the percentage the tenants pay should be raised from 30% to some higher figure, such as 35%. Again, history is worth something on this question. Up until 1959, the federal standard was 20 percent. Conference Report No. 91-740, 1969 USCCAN p. 1584 (Dec. 10, 1969). In 1969, when Brooke was enacted, the percentage became 25 percent. In 1979, the Congress granted HUD the authority to raise the percentage as high as 30 percent for families with incomes above 50 percent of the median income in the area. Pub. L. 96-153, §202(a), 93 Stat. 1106 (Dec. 21, 1979). That Act, however, grandfathered all tenants residing in public housing before the effective date of the change at the 25 percent level. Id. In 1981, the ratio was raised to 30%, and it was transformed into a mandatory rent for everyone, instead of a maximum that could not be exceeded. Pub. L. 97-35, §322(a), 95 Stat. 400 (Aug. 13, 1981). That is where we stand today, with the exception of the voucher program, under which the tenants pay 30 percent of income plus whatever the landlord charges for rent above the PHA's payment standard. Often that works out to 40 and 50 percent of income for voucher holders.

This continual increase in the amount tenants pay, from 20% in 1959, 25% in '69, 30% for some in '79, and for all in '81, 30% plus for voucher holders in '84 to 35% or more for all in '95 is regressive injustice, not progressive equity. Someone has to draw the line sometime, or the federal housing programs will go the way that Albert Walsh predicted in 1969. They will fail their intended mission of making decent housing available to people with low incomes. Now is the time to stop this insanity.

winter wheat was cut by 12 cents a bushel under the grain agreement minimum. These cuts affected exports from East Coast and Gulf ports.

These decisions followed a meeting in Washington earlier this month of ministers from grain-exporting countries at which the conclusion was reached that some price adjustments had to be made at a time of wheat surpluses.

A Common Market spokesman said the U.S. action could have grave consequences for the future application of the Kennedy Round of tariff cuts.

France, the market's principal exporter of grains, has been accused by the U.S. of undercutting the grain minimum price in sales to Thailand, Japan, and the United Arab Republic.

The PRESIDENT pro tempore. Is there any further morning business?

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF DIRECTOR OF SELECTIVE SERVICE

A letter from the Director, Selective Service System, transmitting, pursuant to law, a report on the operations of Selective Service during the period from July 1, 1968, to December 31, 1968 (with an accompanying report); to the Committee on Armed Services.

REPORT OF THE SECRETARY OF THE AIR FORCE

A letter from the Secretary of the Air Force, transmitting, pursuant to law, a report entitled "Semi-Annual Experimental, Development, Test and Research Procurement Action Report," for the period January 1, 1969, through June 30, 1969 (with an accompanying report); to the Committee on Armed Services.

REPORT OF EXPORT-IMPORT BANK OF THE UNITED STATES

A letter from the Secretary, Export-Import Bank of the United States, transmitting, pursuant to law, a report on actions taken by the Bank during the quarter ended June 30, 1969 (with an accompanying report); to the Committee on Banking and Currency.

REPORTS OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on an examination of financial statements of the U.S. Government Printing Office, fiscal year 1968, dated August 4, 1969 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on silver sales limited to small business concerns, Treasury Department, dated August 4, 1969 (with an accompanying report); to the Committee on Government Operations.

REPORT OF BUREAU OF LAND MANAGEMENT

A letter from the Acting Director, Bureau of Land Management, Department of the Interior, transmitting, pursuant to law, a report of negotiated sales contracts for dis-

posal of materials during the period January 1 through June 30, 1969 (with an accompanying report); to the Committee on Interior and Insular Affairs.

THIRD PREFERENCE AND SIXTH PREFERENCE CLASSIFICATIONS FOR CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports relating to third preference and sixth preference classifications for certain aliens (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

ADMISSION INTO THE UNITED STATES OF CERTAIN DEFECTOR ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting admission into the United States of certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

REPORT ON ACTIVITIES IN CERTAIN COUNTRIES RELATING TO APPLICATIONS FOR CONDITIONAL ENTRY

A letter from the Commissioner, U.S. Department of Justice, Immigration and Naturalization Service, pursuant to law reporting on activities in certain countries relating to applications for conditional entry, for the period January 1, 1969 through June 30, 1969; to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A letter in the nature of a petition, from Allan Feinblum, New York, N.Y., praying for the issuance of certain IBM cards; to the Committee on Post Office and Civil Service.

A resolution adopted by the Board of Chosen Freeholders, Union County, Elizabeth, N.J., supporting the further extension of the Interstate System of Highways; to the Committee on Public Works.

BILLS INTRODUCED

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. BROOKE (for himself and Mr. McINTYRE):

S. 2761. A bill to amend the United States Housing Act of 1937 to provide additional rental assistance payments to enable families of very low income to afford to live in low-rent housing projects and to improve operating and maintenance services in such projects; to the Committee on Banking and Currency.

(The remarks of Mr. BROOKE when he introduced the bill appear later in the Record under the appropriate heading.)

By Mr. STENNIS:

S. 2762. A bill to amend the Civil Rights Act of 1964 to assure a more uniform enforcement of title VI thereof; to the Committee on the Judiciary.

(The remarks of Mr. STENNIS when he introduced the bill appear later in the Record under the appropriate heading.)

By Mr. MUNDT (by request):

S. 2763. A bill to allow the purchase of additional systems and equipment over and above the statutory price limitation; to the Committee on Government Operations.

By Mr. MAGNUSON:

S. 2764. A bill to make it unlawful to install nonsafety glazing material in sliding glass doors and other high risk areas of residential, public, and commercial buildings in the District of Columbia to protect the health and safety of the public, and to direct the Director of the Department of Health to establish and promulgate standards for safety glazing material and its application; to the Committee on the District of Columbia.

(The remarks of Mr. MAGNUSON when he introduced the bill appear later in the Record under the appropriate heading.)

By Mr. MAGNUSON (by request):

S. 2765. A bill to consent to amendments to the Pacific Marine Fisheries Compact; to the Committee on the Judiciary.

By Mr. JACKSON:

S. 2766. A bill for the relief of Guillermo Blonquis (William Bloomquist); to the Committee on the Judiciary.

By Mr. GURNEY:

S. 2767. A bill to amend the Federal Water Pollution Control Act, as amended; to the Committee on Public Works.

(The remarks of Mr. GURNEY when he introduced the bill appear later in the Record under an appropriate heading.)

By Mr. TYDINGS:

S. 2768. A bill to amend the Atomic Energy Act of 1954 in order to promote the preservation of environmental quality; to the Joint Committee on Atomic Energy.

(The remarks of Mr. TYDINGS when he introduced the bill appear later in the Record under the appropriate heading.)

ADDITIONAL COSPONSORS OF BILLS

S. 2073

Mr. DIRKSEN, Mr. President, I ask unanimous consent that, at the next printing, the name of the Senator from Kansas (Mr. PEARSON) be added as a cosponsor of S. 2073, to prohibit the use of interstate facilities, including the mails, for the transportation of certain materials to minors.

The PRESIDENT pro tempore. Without objection, it is so ordered.

S. 2108

Mr. BYRD of West Virginia, Mr. President, on behalf of the Senator from Maryland (Mr. TYDINGS), I ask unanimous consent that, at the next printing, the names of the Senator from Massachusetts (Mr. BROOKE), and the Senator from Virginia (Mr. SPONG), be added as cosponsors of S. 2108, to create a National Center for Population and Family Planning and other purposes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

S. 2315

Mr. BYRD of West Virginia, Mr. President, on behalf of the Senator from Washington (Mr. JACKSON), I ask unanimous consent that, at the next printing,

the name of the junior Senator from Arizona (Mr. GOLDWATER) be added as a cosponsor of S. 2315, to restore the golden eagle program to the Land and Water Conservation Fund Act.

The PRESIDENT pro tempore. Without objection, it is so ordered.

S. 2470

Mr. SCOTT. Mr. President, I ask unanimous consent that, at the next printing, the names of the senior Senator from California (Mr. MURPHY), the junior Senator from California (Mr. CRANSTON), the Senator from Maryland (Mr. MATHIAS), and the Senator from Utah (Mr. MOSS) be added as cosponsors of S. 2470, to amend the Food Stamp Act of 1964 to authorize elderly persons to exchange food stamps under certain circumstances for meals prepared and served by private nonprofit organizations, and for other purposes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

S. 2644

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from Maryland (Mr. TYDINGS), I ask unanimous consent that, at the next printing, the name of the Senator from Ohio (Mr. YOUNG) be added as a cosponsor of S. 2644, to amend the Legislative Reorganization Act of 1946.

The PRESIDENT pro tempore. Without objection, it is so ordered.

S. 2674

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from Hawaii (Mr. INOUYE), I ask unanimous consent that, at the next printing, the names of the Senator from Montana (Mr. METCALF), the Senator from Missouri (Mr. EAGLETON), the Senator from Nevada (Mr. BIBLE), the Senator from Washington (Mr. JACKSON), the Senator from Connecticut (Mr. DOBB), and the Senator from South Carolina (Mr. THURMOND), be added as cosponsors of S. 2674, to amend title 37, United States Code, to provide for the procurement and retention of judge advocates and law specialists officers from the Armed Forces.

The PRESIDENT pro tempore. Without objection, it is so ordered.

S. 2689

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from Hawaii (Mr. INOUYE), I ask unanimous consent that, at the next printing, the names of the Senator from Connecticut (Mr. DOBB) and the Senator from New Jersey (Mr. WILLIAMS) be added as cosponsors of S. 2689, to amend the Internal Revenue Code of 1954 to provide the same tax exemption for servicemen in and around Korea as is presently provided for those in Vietnam.

The PRESIDENT pro tempore. Without objection, it is so ordered.

S. 2761—INTRODUCTION OF A BILL TO PROVIDE ADDITIONAL RENTAL ASSISTANCE FOR LOW-INCOME FAMILIES

Mr. BROOKE. Mr. President, in just a few short years we have made significant strides in removing the social barriers to

better housing. But two gross impediments still remain—the lack of sufficient standard housing to meet the needs of all our people, and the inability of our poorest citizens to benefit from the units which are available.

The measure which I introduce today—on behalf of myself and Mr. McINTYRE—would help to overcome the second of these two obstructions. Basically, the bill would make it possible for the Federal Government to provide rental assistance payments to public housing agencies for the purpose of making up the difference between the actual cost of the unit and one-fourth of the income of the tenant. Assistance would be in the form of annual payments by the Secretary of Housing and Urban Development to public housing agencies pursuant to contracts entered into with the local agencies. It would enable families, regardless of how low their incomes may be, to afford decent housing at a reasonable cost; the "one-fourth of income" figure is exactly the same as the rent-to-income ratio used in HUD's other subsidized rental programs.

Let me illustrate how the program would work. At the present time, the nationwide average operating cost per housing unit is about \$50 per month, or \$600 per year. Thus \$50 is the minimum monthly rent which a developer or housing agency would have to charge each tenant just in order to break even. But based on Federal calculations of a reasonable proportion of annual income devoted to housing needs, this simple minimum figure automatically excludes the many millions of families with incomes below \$2,400 per year. One undesirable alternative, which has been used to some degree in the past, is to charge those tenants who can afford to pay more a higher rent for the same kind of unit in order to compensate for the low-income families who cannot afford to bear their fair share of the cost. The other alternative, which is even less desirable, has been to exclude the very poorest and most needy of our citizens from participation in public housing projects.

The bill which I introduce today is, I believe, a far better alternative than either of the two approaches outlined above. It would simply permit the Federal Government to pay the difference between what a family can afford and what the unit actually costs. It would distribute the burden of the supplement evenly. And it would insure that Federal housing programs will at last begin to meet the requirements of our most needy citizens.

Mr. President, I send this bill to the desk and ask unanimous consent that it be printed at this point in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2761) to amend the United States Housing Act of 1937 to provide additional rental assistance payments to enable families of very low income to afford to live in low-rent housing projects and to improve operating and maintenance services in such projects, introduced by Mr. BROOKE, for himself and

Mr. McINTYRE, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

S. 2761

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Housing Act of 1937 is amended by redesignating section 24 as section 25, and by adding after section 23 the following new section:

"ADDITIONAL RENTAL ASSISTANCE

"SEC. 24. (a) In order to enable public housing agencies to provide housing within the means of families of very low income and to provide improved operating and maintenance services, the Secretary may make, and contract to make, annual rental assistance payments to public housing agencies with respect to any low-rent housing projects.

"(b) The amount of the annual payment with respect to any dwelling unit in a low-rent housing project shall not exceed the amount by which the rental for such unit exceeds one-fourth of the tenant's income.

"(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, including such sums as may be necessary to make the rental assistance payments under contracts entered into under this section. The aggregate amount of the contracts to make such payments shall not exceed amounts approved in appropriation Acts."

Mr. McINTYRE. Mr. President, the crisis in public housing is reaching dramatic proportions. Public housing authorities across the Nation are no longer able to provide adequate maintenance and services for tenants and at the same time preserve the low-rent character of the projects. Even though the Housing Act of 1937, which established the public housing program, stated that the program would serve those "families in the lowest income group" local authorities have been forced to set minimum income requirements and raise rentals in order to meet the rising costs of maintenance and operation. As a result, more and more of the poor and very poor are barred from admission to public housing projects.

In some cities operating costs on a three-bedroom apartment, for example, are \$70 per month. If a family were to spend only 25 percent of its income in order to meet that rental figure, it would have to earn \$3,400 per year. The average annual income of public housing tenants is \$2,709.

Since the Federal contribution to public housing pays only debt service and amortization charges, local authorities are required to charge rentals which will produce a project income equal to project operational costs. From the beginning, this meant that the very poor, those who could not afford their portion of the operating expenses of the project, could not be admitted. According to the studies of the President's Commission on Urban Problems, "This group seems to amount to at least 8 percent and possibly as much as 10 percent of the urban population."

It is this group which is forced to find housing in the most substandard, dilapidated, and overcrowded dwellings.

The Federal Government has the responsibility for assuring that all Americans have a decent place to live. That

pledge is two decades old. But two decades later there is no Federal program to provide housing for our poorest citizens.

The bill being introduced today by Senator Brooke and myself would help to remedy that situation. It would set a standard, used in other housing programs, that tenants pay 25 percent of their income as rent in public housing. The difference between the rent paid by the tenant under this formula and the rental value of the unit would be paid by the Federal Government. The rental value of the unit would be proportionate to the operational cost of the project.

In this way, minimum rents would no longer be required by the local housing authority. Tenants with the very lowest incomes would be eligible for admission to public housing. It would also mean that tenants already living in public housing will not be spending a disproportionate amount of their incomes for shelter.

In addition, local housing authorities would receive adequate funds to maintain and operate the facilities and to provide needed services to tenants. It would no longer have to resort to the only method available, raising rents, to guarantee residents a decent place to live.

S. 2764—INTRODUCTION OF SAFETY GLAZING BILL FOR THE DISTRICT OF COLUMBIA

Mr. MAGNUSON. Mr. President, much has been said but little has been done about the large number of disfiguring and fatal injuries resulting from persons walking or falling into transparent glass doors and panels in residential housing and public buildings. The American consumer was first apprised of the problem posed by annealed glass used in sliding patio doors, storm doors, adjacent panels, and glass room partitions 9 years ago when a west coast medical journal reported \$40,000 insurance claims per year by victims of glass injuries. In 1966, after further study by representatives from the Division of Accident Prevention of the Public Health Service and the National Safety Council, aided by door and glass manufacturers and code officials, estimates of glass injuries reached 100,000. And just last January, attention was again focused on the problem by the National Commission on Public Safety at public hearings held here in Washington. Testimony was heard from the parents of children who were killed or disfigured by injuries when they inadvertently plummeted through non-safety glass used in various areas of family residences. The great danger of annealed glass is that when it breaks, it does so into extremely sharp, jagged, spear-like edges which are capable of inflicting deep wounds into the victim, severing vital arteries, nerves, and muscles. One mother related at the Commission hearings how her 9-year-old daughter's jugular vein was severed when she walked through a glass room divider and in only minutes bled to death.

The frightening aspect of this problem is that unless legislative action is taken, there is reason to believe that the hazard

will increase. In 1966, an estimated 1.1 million sliding glass doors were being installed in homes and office buildings each year and by 1970 this annual volume was expected to reach 1.4 million units. The free operation of our economic system has not been adequate to compel the use of safety glass in the home for a number of reasons:

First, the demands for lower costs in housing are driving contractors to cut cost on the materials they use to increase their profits; second, considering the number of people who today live in large apartment complexes, who purchase homes already built, or who buy homes in subdivisions developed by large homebuilders, the consumer seldom has a choice in the material that is used in the construction of his residence; third, at present, replacement costs for safety glass are substantially higher than for ordinary sheet-annealed-glass although original installation of a sliding glass door with tempered glass—one kind of safety glass—is only about \$20 more than a door with regular annealed glass. I might point out that the industry has acted to reduce these costs by standardizing the sizes of glass used in sliding doors and storm doors and so we can expect this difference in cost to decline in the future. And further, the cost differentiation may even become less of a factor with the increase in the use of tempered glass which governmental regulations at all levels can bring about; fourth, the door manufacturer who sells a storm or sliding glass door with only annealed glass in it has a decided economic advantage over the conscientious manufacturer who will only install safety glass.

The sad aspect of the problem confronting us is that technology has provided us with the solution which will substantially reduce, if not completely eliminate, the injury hazard as it exists and yet this know-how is not being fully employed. There presently are three types of safety glass that can eliminate this problem: These are tempered, laminated, and wire glass. I have pointed out these three types of safety glass primarily to demonstrate to you that present technology is capable of eliminating the problem. However, the proposed legislation which I introduce does not hamstring the ingenuity of our modern industry by requiring a specific type of safety glass, but rather requires that whatever kind of glazing material is used, it shall meet certain impact and breakage tests designed to eliminate the hazards that I have mentioned.

Although this problem probably could be dealt with more effectively at the national level, I think it is best to wait for the report and recommendations of the National Commission on Product Safety before taking Federal action. Nevertheless, effective action can be taken at the local level, and such stopgap legislation will go far to reduce the injuries in the District of Columbia.

It is unfortunate that the District, which is seeking to become a model city, must follow, rather than lead, such States as New Jersey, Washington, Maryland, North Carolina, and California in passing similar legislation. Therefore, we

would be remiss in our duties to hesitate any longer in passing legislation for the District of Columbia, and it is for these reasons that I am proposing this legislation today.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2764) to make it unlawful to install nonsafety glazing material in sliding glass doors and other high-risk areas of residential, public, and commercial buildings in the District of Columbia to protect the health and safety of the public, and to direct the Director of the Department of Health to establish and promulgate standards for safety glazing material and its application, introduced by Mr. MAGNUSON, was received, read twice by its title, and referred to the Committee on the District of Columbia.

S. 2767—INTRODUCTION OF THE WATER QUALITY FINANCIAL ASSISTANCE ACT OF 1969

Mr. GURNEY. Mr. President, today I am introducing a bill to assure that the maximum amount of money possible is available for the building of waste treatment facilities. We are currently faced with a serious problem in financing the construction of needed waste treatment works. With our present budgetary situation, it seems unlikely that the appropriation for the forthcoming fiscal year and the year following will equal the authorization for funds to build these sewage treatment works.

However, we cannot afford to lose any more time in controlling the pollution of our Nation's waters. The proverbial "ounce of prevention" certainly applies here. Reasonable expenditures now to halt further pollution of our waterways above and below ground may well preclude the enormous costs of rehabilitation of such systems later.

Intense river pollution already threatens underground aquifers, as is now the case in the Hudson River Valley. As anyone can appreciate who has stood on the shores of the Potomac on a summer's day in a freshening breeze, the cost to sweeten the stench of this river has now been estimated as high as \$500 million. While it is technologically possible to redeem these sources of our water supply, the costs remain prohibitive. For this reason, it is imperative that we act as swiftly as possible to prevent further pollution.

The bill I am introducing today is designed to meet that need to the best extent possible. It provides that during fiscal year 1970 the amount of the funds for waste treatment works that has been authorized, but unappropriated will be authorized under a contract program.

The Secretary of the Interior would be authorized to enter into long term, not to exceed 30 years, contracts with a State or local governmental unit to pay in installments the Federal share of the costs of constructing such works. The Federal share would be determined in the same manner as the Federal share is determined for grants.

This bill would provide a mechanism to produce the necessary Federal financing to help meet water quality standards.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Texas.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read, as follows:

On page 2, line 21, strike out "Lower down-payments for".

On page 2, line 23, after "(a)" insert "(1)".

On page 2, after line 25, insert a new paragraph as follows:

"(2) Section 203(b)(2) of such Act is amended by striking out '\$30,000', '\$32,500', and '\$37,500' and inserting in lieu thereof '\$32,500', '\$35,000', and '\$40,000', respectively."

Mr. JAVITS. Mr. President, if I may be recognized—

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. The purpose of the amendment is to raise the ceilings on conventional mortgages for, generally speaking, owner-occupied one-, two-, and three-family houses. That is in the interests of family houses. It is the traditional FHA mortgage pattern.

This amendment is necessary in order to deal with the problem of high costs in areas around the great cities, recognizing fully that the committee has endeavored to do so, by its formula, passed in 1967, which has just been modified to some extent by the amendment of my colleague from New York (Mr. GOODELL), for public housing, and so forth.

We are advised by those who do the actual building of houses in and around our major cities that the application of the formula alone will not be adequate; that there is a very strong case for encouragement of this type of construction and that we must deal with the increased costs which are being faced.

I have read the minority views of the Senator from Texas (Mr. TOWER) with the greatest interest. I agree with him that we should not go "hog wild" on this thing and necessarily keep up with costs. It is like the tax collector. We have to cut without cutting the bone and, at the same time, do all we can to deal with the situation.

Mr. TOWER. Mr. President, will the Senator from New York yield at that point?

Mr. JAVITS. I yield.

Mr. TOWER. As I said awhile ago, in discussing the amendment of the distinguished junior Senator from New York (Mr. GOODELL), the experience is that very often the ceilings we put in the bill tend to become floors for the minimum cost of construction. I hope that some time in the future we can be led to slow down this escalating process.

I intend to support the amendment of the Senator from New York.

Mr. JAVITS. I thank my colleague from Texas. I hope very much that the Senator in charge of the bill will take the amendment, as he has other amendments, and submit it to conference.

Mr. PROXMIRE. Mr. President, I hesitate to disagree with the Senator from New York, but I must say that we did go over the proposal in committee and it was rejected, after considerable discussion. I feel strongly, with the

present housing shortage, and the impossibility of people with incomes of less than \$10,000 a year to be able to get housing, that this will make it worse, when we go up to providing housing in the area of \$40,000 a home.

After all, FHA insurance is an element of the Government subsidy and the consequences on the typical homebuyer with a small, modest, or middle income will be adverse. Thus, for that reason, although I certainly will not press my argument against the amendment, I must say that I must oppose the amendment.

Mr. JAVITS. Let me point out to the Senator that we are not going quite so high as he says. We are trying to make a marginal adjustment. We are going from \$30,000 to \$32,500, not from \$30,000 to \$40,000, and going from \$37,500 to \$40,000. But it is a marginal adjustment.

In answer to the Senator's argument, let me point out that we do not help the \$10,000 fellow by depriving people who cannot afford to buy a more expensive house. That goes for 80 percent of home buyers. We have to make up for what is a bad situation.

As to mortgage interest rates, one of the ways in which we can do that is by being somewhat more liberal on the guarantee side, so that instead of taking the National Homebuilders' figure which, as the Senator says, is 40, I am trying to do something which is marginal to care for the particularly high costs areas, leaving the generality of the mortgages to the formula itself which the committee devised.

Mr. PROXMIRE. The Senator's amendment provides for striking out \$30,000, \$32,500 and \$37,500, and inserting in lieu thereof \$32,500, \$35,000 and \$40,000 respectively. I would therefore argue that there is a limit placed on the housing. As we know, we have the worst housing shortage in this country for the past 30 years. Under these circumstances, if a fairly affluent family is able to get financing under these circumstances, for a \$40,000 home, it will be that much harder for the lower income families to buy a house because of the more limited supply of housing generally.

Mr. JAVITS. But the \$40,000 home is a multifamily home. This limit is not to one-family homes. That goes only to the \$32,500 home. Secondly, the tradition in this country is that if more houses are made available, more houses for lower income groups are made available; and the pressure against the ceiling, when there is a ceiling, is useful in making available a greater stock of housing.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. SPARKMAN. I believe it has already been stated by the Senator from Wisconsin, and I believe by the Senator from Texas, that we considered this matter in the committee, and the committee voted against it. However, just as I said, and just as the Senator from Texas said to the amendment of the junior Senator from New York (Mr. GOODELL) a little while ago, we realize there is a real problem in those areas. There are some questions that we ought to look into to see how this procedure works and to the extent it will give relief.

Just as was said to the junior Senator from New York (Mr. GOODELL), I am perfectly willing to take this amendment, with the understanding that between now and the time we have the conference, we will get the best facts and information on it that we can.

Mr. JAVITS. That is entirely satisfactory with me, and as the Senator from Wisconsin (Mr. PROXMIRE) will undoubtedly be a conferee—

Mr. SPARKMAN. He will be.

Mr. JAVITS. I understand it may very well go out, but at least take a good look at it.

Mr. SPARKMAN. We will.

Mr. TOWER. Mr. President, I concur in the statement of the Senator from Alabama.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York (Mr. JAVITS).

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, may we have third reading?

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be offered—

Mr. GOODELL. Mr. President—

The PRESIDING OFFICER. The Senator from New York.

Mr. GOODELL. I take this time to engage—

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. GOODELL. I yield.

Mr. SPARKMAN. Does the Senator propose to offer an amendment?

Mr. GOODELL. No.

Mr. SPARKMAN. I wonder if we might have third reading.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MILLER. I would appreciate it if the Senator would withhold his request for third reading for just a few minutes. I may have an amendment.

Mr. SPARKMAN. Certainly.

The PRESIDING OFFICER. The Senator from New York.

Mr. GOODELL. Mr. President, I take this time to engage in a brief colloquy with the Senator from Massachusetts (Mr. BROOKE) with reference to a provision in this bill which he offered. I believe we should make absolutely clear its legislative intent. In order for families of very low income to afford public housing rentals of more than 25 percent of their income, annual rental assistance payments will be made to the public housing agencies. In addition, this provision enables housing authorities to lower rents for tenants to 25 percent of income. Then, the Government pays the difference between 25 percent of income, the actual operating cost for the unit under existing law, housing authorities now receive subsidies of \$120 per family for the disabled, handicapped, and very low income family.

I would like to ask the Senator from Massachusetts this question: If an authority does not charge over 25 percent of the tenant's income for rent—which I understand would disqualify it from the Brooke assistance provision—will that authority in that rental situation still

be eligible for the \$120 per year per family payment?

Mr. BROOKE. Mr. President, it would, under the amendment, be eligible under those circumstances. It was not the intent to deny that family any Federal assistance.

Mr. GOODELL. I appreciate the Senator's answer, and would like to ask another question.

If an authority charges over 25 percent of the tenant's income for a family which in addition does qualify for the \$120 hardship payment, would the housing authority be eligible to receive both the Brooke payment and the \$120?

Mr. BROOKE. The answer is "Yes."

Mr. GOODELL. Finally, Mr. President, since the Brooke subsidy is subject to annual appropriation, there is some question as to whether the authorities will be able to rely on funds unless appropriations are made. The \$120 statutory payment, therefore, in my opinion, must be maintained.

I would like to ask if the Senator from Massachusetts agrees that the Brooke rental assistance will be in addition to, not in substitution for, any other contributions or payments provided under the act.

Mr. BROOKE. The assistance would be in addition to, rather than in lieu of.

Mr. GOODELL. I appreciate the clarification of the legislative history on this point, because I think it is a very vital factor in the case of many persons, particularly in our urban housing areas. I thank the Senator.

Mr. MILLER. Mr. President, I would appreciate it if I could get the attention of the Senator from Alabama (Mr. SPARKMAN), who is the manager of the bill, so that I could address a few questions to him. I would like to refer specifically to section 303 of the bill on page 29.

Mr. SPARKMAN. I may say to the Senator from Iowa that we amended that section. That provision has to do with providing consultants and planning. Is that not correct?

Mr. MILLER. That is correct.

Mr. SPARKMAN. We amended it to make it completely clear that it is optional with the county, the municipality, the regional establishment, whatever it may be. It is not compulsory. Many persons seem to have gotten the idea that we were saying they had to use these consultants. That was not the intention of the committee at all.

We inserted language to make it perfectly clear that it was purely voluntary.

Mr. MILLER. May I say that concern was expressed to me that they would have to be used and the State planning service could not be made available.

Mr. SPARKMAN. No; that is not true. The language makes it completely optional. Language was adopted which I am sure is completely satisfactory to the Senator.

Mr. MILLER. The reason for my inquiry is that my Governor was quite concerned with the provision of the original bill. Now that it has been changed to make it optional the problem may have been taken care of.

Mr. SPARKMAN. The draft did not comply with what was intended. As a

matter of fact, if the Senator will look at the report, he will see that we put in the report what we intended. I caught the difference between the report and the bill and saw it did not fit. So we inserted language which made it perfectly clear.

Mr. TOWER. Mr. President, if the Senator will yield, I am glad to read to him the language which amended that section:

Any grants made under this section to a State, metropolitan, or regional planning agency, an economic development district, or any other areawide planning agency for use by such agency or district to provide planning assistance to any local government or any agency or instrumentality of a local government shall be used in a manner consistent with the Federal Government's policy or relying on the private enterprise system to provide those services which are reasonably and expeditiously available through ordinary business channels.

Mr. MILLER. That clears the problem up as far as I am concerned, and I thank my colleagues for giving me those answers.

The PRESIDING OFFICER. (Mr. CRANSTON in the chair). The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. PERCY. Mr. President, in the February issue of the Community Renewal Society, John Russell wrote:

The most ghastly thing of all is to watch a city die, and without benefit of bomb. Her gleaming towers, swift flowing arteries, and new facade give evidence of vitality and strength, while underneath, the cancer eats away.

We can be proud of the tremendous strides taken to assure that such a fate does not await America's cities. The endeavors undertaken to attain our national goal of "a decent home and a suitable living environment for every American family" are tremendous. The task now before us is to be certain that our work is not frustrated and that it can be continued.

S. 2864, a bill favorably reported by the Committee on Banking and Currency, would, first, establish new termination dates for present housing programs, and, second, authorize new funds to continue these vital programs. It would also, in some cases, expand the existing programs. In this way, S. 2864 would help to make present programs more effective and workable as our Nation strives to meet the present housing crisis.

We already have a wide range of housing programs on the books which cover every aspect of our national housing needs. Basically, the pending legislation relies upon these programs which are presently in operation and functioning with some degree of success. To fail to favorably act on S. 2864 would be to fail to extend such vital programs as the Federal Housing Administration program, model cities, public housing, rent supplement, and urban renewal. This would indeed be a tragedy.

When these programs become fully operational, millions of American families

will for the first time in their lives have an opportunity to live in a decent environment. The potential of existing legislation to provide that environment must be exploited in the coming years, and this requires the continuation of these programs. I am confident that Senators will recognize the importance of this legislation, and give S. 2864 their full support. We must respond affirmatively today so that our American fellowman does not have to watch his city die tomorrow.

Mr. BROOKE. Mr. President, the Housing and Urban Development Act of 1969 represents a significant step toward achieving this Nation's goal of providing a decent home for every American. I commend my esteemed colleagues on the Senate Banking and Currency Committee and reserve special praise for Chairman SPARKMAN and Senator BENNETT who contributed significantly to the development of this legislation.

This legislation contains a number of important provisions. I will, however, only highlight those provisions which I feel deserve special attention.

Section 114 of the bill would authorize the Government National Mortgage Association to purchase mortgages at par and sell these mortgages either immediately or at any other time at a price lower than par if necessary to meet the range of market prices. Thus, GNMA would have added flexibility in the timing of its sales. Since GNMA has available approximately \$1.9 billion in unused authorizations, its authority under this section can now be used to produce a substantial volume of housing which will inure to the benefit of low- and moderate-income families.

In the area of public housing, Senator MCINTYRE and I introduced a bill earlier this year which should have a substantial impact on the quality of public housing. This bill is embodied in section 211 of the present act and would provide additional rental assistance in behalf of very low-income tenants of public housing projects. Thus, rental assistance payments would be available with respect to public housing and leased housing units to enable families of very low income to afford rentals with no more than 25 percent of their incomes.

Information available from HUD indicates that there are approximately 180,000 tenants in public housing projects who pay in excess of 25 percent of their income for such housing. This problem is further accentuated by inflationary pressures which are increasing operating costs considerably. Many public housing authorities, unable to obtain additional funds to cover these increased costs, are looking to public housing tenants for their source of additional funds. But these public housing tenants are unable, in many cases, to meet prior payment schedules without allocating a disproportionate share of their income to housing, and they find it impossible to do so as their rental payments increase still further.

We believe that no public housing tenant should pay more than 25 percent of their income for housing; however, we certainly would encourage public housing authorities to charge considerably less

where it is economically feasible to do so. Where a tenant's payments do not cover his proportionate share of operating costs, section 211 would provide rental assistance payments to cover the difference. The Senate Banking and Currency Committee has authorized \$75 million annually to fund these assistance payments. I anticipate that these funds will be adequate to insure that no public housing tenants pay more than 25 percent of their income for housing.

Section 206 of this act permits HUD to cover a portion of the operating costs of public housing projects in addition to debt service—out of annual contributions. This new development should enable local housing authorities in 15 large cities which are now facing serious financial problems because of increased operating costs to rectify their financial affairs.

Once those public housing authorities which are operating at large deficits gain stability, and public housing tenants are no longer charged a disproportionate share of their income for housing, our attention must turn to improving the quality of living in public housing. I should emphasize that I do not view public housing as the ultimate answer to the needs of low-income families. On the contrary, I foresee the day when public housing as we know it today will be replaced by new approaches to low-income housing. In the interim, however, we must not lose sight of the need to provide a decent home for persons who are unable to obtain another form of housing. We must not allow the standard of living in these projects to deteriorate in anticipation of the development of more imaginative housing programs and the final implementation thereof.

Many public housing projects in this country fail to meet standards set forth in local housing codes with respect to maintenance and sanitation. In many locales, these housing codes represent the bare minimum required for common decency, and more rigorous standards are, in fact, required by HUD. In many cities local housing projects fail to comply with either set of standards. The primary factor which mitigates against such compliance is the lack of funds to rehabilitate and modernize existing, older projects. Although HUD has allocated some of its modernization and rehabilitation funds to these units, its authorization has been inadequate because of the need to use most of the available funds to assist new projects. Therefore, I submitted a proposal to the Senate Banking and Currency Committee which has been adopted in section 206 of this act. This measure would provide an additional \$20 million authorization for annual contribution contracts for low-rent public housing programs. These funds will be earmarked for modernizing and rehabilitating existing, older projects. In addition, the committee authorized \$25 million in new annual contribution authority which will become available July 1, 1971.

One of the most significant steps taken by the committee was the authorization of appropriations through fiscal year 1972 for upgrading management and tenant services in public housing projects. One need only discuss the needs and short-

comings of public housing with persons possessing considerable expertise on the subject, to understand that sound management of these projects and adequate tenant services play a significant role in achieving balanced and successful projects. And sound management is greatly facilitated by provisions which make possible long-term planning.

Section 207 of the act was designed to respond to the need for basic tenant guarantees of due process. In formulating this provision, we took into account the need to insure the maintenance of tenant's rights while avoiding cumbersome requirements which would impede the administration of public housing programs. Thus, section 207 requires that public housing applicants be given an opportunity to be heard informally when their application has been rejected. In the course of such a hearing, it is envisioned that new developments might be brought to the attention of public housing authorities which had not been made a part of the decisionmaking process. The section would also require local public housing authorities to notify applicants determined to be eligible for admittance of the approximate time when a unit would be available, to the extent that this information can be reasonably determined by the local housing authority. This requirement would give the applicant some basis for making an informed judgment on how best to meet his household needs.

It is hoped that the foregoing provisions—designed to improve the quality of living in public housing projects—will produce the desired results. The Banking and Currency Committee has also requested that HUD undertake a comprehensive study of public housing to evaluate subsidy requirements in terms of public housing authority incomes and rent-paying ability of tenants, the programs and services provided, and other activities related to public housing. This study, coupled with the recommendations of the Douglas Commission and task forces established by the Nixon administration, should provide a sound basis for next year's legislative proposals in this vital area.

There are two other provisions which I believe deserve mention. Section 212 of the act would provide for continuation of the section 202 program of housing for the elderly and the handicapped. This program was to have been phased out and replaced by the section 236 program; however, the program has proved extremely effective and efficient and deserves continuation. The committee also rejected the concept that section 221(d)(3) below market interest rate projects be converted into section 236 projects. The committee reasserted its mandate that section 221(d)(3) projects should not be discontinued until the committee is satisfied that the section 236 program is fully operational.

The foregoing provisions, coupled with a substantial number of equally important provisions which have been touched on by my colleagues today, constitute an impressive piece of legislation which should improve the quantity and quality of housing in this country. We must not fail to realize, however, that we are far

short of our goal. The goal of producing 26 million housing starts and 6 million federally subsidized units in the next 10 years will not be achieved unless our national commitments to these endeavors are greater in the future than they have been in the past. I am hopeful that my colleagues in the Senate will give careful consideration to these goals and to the legislation which is before us today.

Mr. BAYH. Mr. President, I would like to take this opportunity to commend the chairman and members of the Banking and Currency Committee on their development of a very fine and comprehensive bill. The Housing Act of 1969 has certainly taken into consideration those factors which are so vital to the continuance of our efforts to provide decent and adequate housing for every American citizen.

The provisions of this act that increase the capacity of local financial institutions and housing renewal agencies should greatly facilitate the acquisition of moderate- and low-income housing by citizens who in many instances are presently not able to qualify. The increased mortgage limitations and other reflections of cost increases will enable greater numbers of Americans to obtain a home that fulfills their needs for totally adequate accommodations.

I am especially pleased that the committee included in this bill as an amendment to section 3 of the 1968 Housing Act, the provisions of S. 2610 which I introduced on July 14, 1969, which call for broadening of the employment and business opportunities of low income persons in connection with HUD assisted projects.

Throughout our country individual workers and businessmen who reside and do business in areas affected by programs of urban renewal, housing construction, industrial development, and other programs that result in significant impact on the community are very actively seeking additional opportunity to participate in such change. And I am most gratified to see that the committee felt this extension would greatly broaden the scope of employment and business opportunity for lower income persons and aspiring minority entrepreneurs. It is my hope that the policies developed by the Secretary of Housing and Urban Development with regard to section 3 will reflect the urgency inherent in the broadening of its scope.

DECENT HOUSING FOR ALL AMERICANS

Mr. YARBOROUGH. Mr. President, one of this Nation's most pressing problems is the lack of decent housing for many American families. The slums that exist in our cities and the poverty areas that can be found throughout rural America are a national disgrace. In this the richest Nation in the world, there is no excuse why every family in America does not have suitable housing.

Unfortunately, ever increasing consumer prices and interest rates on mortgages have made it impossible for many lower income families to buy a decent home. This situation has resulted in bringing the homebuilding industry to a virtual standstill. The difficulties that now exist in housing industries only serve to dramatize the importance of our Fed-

(3) by striking "trailer coach mobile dwellings" in paragraph (6) of subsection (a) and inserting in lieu thereof "mobile homes"; and

(4) by striking "\$1,800 per space or \$500,000 per mortgage for trailer courts or parks" in the first sentence of subsection (c) (3) and inserting in lieu thereof "\$2,500 per space or \$1,000,000 per mortgage for mobile home courts or parks".

HIGH-COST AREA MORTGAGE LIMITS FOR LOW AND MODERATE INCOME HOUSING

SEC. 104. (a) Section 221(d) (2) (A) of the National Housing Act is amended by striking out the second proviso and inserting in lieu thereof the following: "Provided further, That the Secretary may, in his discretion, increase the foregoing dollar amount limitations by not to exceed 45 per centum in any geographical area where he finds that cost levels so require";

(b) Section 235 of such Act is amended—
(1) by striking out the last proviso in subsection (b) (2) and inserting in lieu thereof the following: "Provided further, That the amount of the mortgage attributable to the dwelling unit shall involve a principal obligation not in excess of \$15,000 (or \$17,500, if the mortgagor's family includes five or more persons), except that the Secretary may, in his discretion, increase the foregoing dollar amount limitations by not to exceed 45 per centum in any geographical area where he finds that cost levels so require"; and

(2) by striking out subparagraph (B) of subsection (1) (3) and inserting in lieu thereof the following:

"(B) where it is to cover a one-family unit in a condominium project, have a principal obligation not exceeding \$15,000 (or \$17,500, if the mortgagor's family includes five or more persons), except that the Secretary may, in his discretion, increase the foregoing dollar amount limitations by not to exceed 45 per centum in any geographical area where he finds that cost levels so require; and"

MORTGAGE INSURANCE ON CONDOMINIUM UNITS FOR SERVICEMEN

SEC. 105. Section 222(b) (1) of the National Housing Act is amended by inserting "or 234(c)," immediately before the word "except".

ASSISTANCE PAYMENTS UNDER SECTION 235 FOR PURCHASER ASSUMING MORTGAGE

SEC. 106. Section 235(c) of the National Housing Act is amended by striking out "subsection (j) (4)" and inserting in lieu thereof "subsection (1) or (j) (4)".

AUTHORIZATION FOR ASSISTANCE PAYMENTS UNDER SECTIONS 235 AND 236

SEC. 107. (a) The second sentence of section 235(h) (1) of the National Housing Act is amended—

(1) by striking out "and" the second time it appears; and

(2) by inserting before the period a comma and the following: "and by \$170,000,000 on July 1, 1971".

(b) The second sentence of section 236 (i) (1) of the National Housing Act is amended—

(1) by striking out "and" the second time it appears; and

(2) by inserting before the period a comma and the following: "and by \$170,000,000 on July 1, 1971".

ASSISTANCE PAYMENTS WITH RESPECT TO EXISTING DWELLINGS UNDER SECTION 235

SEC. 108. Section 235(h) (3) of the National Housing Act is amended—

(1) by inserting "and" at the end of subparagraph (A); and

(2) by striking out subparagraphs (B) and (C) and inserting in lieu thereof the following:

"(B) 30 per centum of the total additional amount of contracts for assistance payments authorized by appropriation Acts to be made prior to July 1, 1971,".

CONVERSION OF SECTION 236 PROJECTS TO CONDOMINIUM OWNERSHIP

SEC. 109. (a) Section 236 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(n) (1) The Secretary is authorized, with respect to any project involving a mortgage insured under subsection (j), to permit a conversion of the ownership of such project to a plan of family unit ownership. Under such plan, each family unit shall be eligible for individual ownership and provision shall be included for the sale of the family units, together with an undivided interest in the common areas and facilities which serve the project, to lower income purchasers. The Secretary shall obtain such agreements as he determines to be necessary to assure continued maintenance of the common areas and facilities. Upon such sale, the family unit and the undivided interest in the common areas shall be released from the lien of the project mortgage.

"(2) The Secretary is authorized, upon application by the mortgagee, to insure under this subsection mortgages financing the purchase of individual family units under the plan prescribed in paragraph (1). Commitments may be issued by the Secretary for the insurance of such mortgages prior to the date of their execution or disbursement thereon, upon such terms and conditions as the Secretary may prescribe. To be eligible for such insurance, the mortgage shall—

"(A) involve a principal obligation (including such initial service charges, and such appraisal, inspection, and other fees, as the Secretary shall approve) in an amount not to exceed the Secretary's estimate of the appraised value of the family unit, including the mortgagor's interest in the common areas and facilities, as of the date the mortgage is accepted for insurance;

"(B) bear interest (exclusive of premium charges, for insurance and service charges, if any) at not to exceed such per centum per annum (not in excess of 6 per centum) on the amount of the principal obligation outstanding at any time as the Secretary finds necessary to meet the mortgage market;

"(C) provide for complete amortization by periodic payments within such term as the Secretary may prescribe, but not to exceed three-quarters of the Secretary's estimate of the remaining economic life of the building improvements; and

"(D) be executed by a mortgagor who shall have paid (1) in the case of any family whose income is not in excess of 135 per centum of the maximum income limits which can be established in the area, pursuant to the limitations prescribed in sections 2(2) and 15(7) (b) (ii) of the United States Housing Act of 1937, for initial occupancy in public housing dwellings, at least \$200, or (ii) in the case of any other family, at least 3 per centum (or such larger amount as the Secretary may require) of the Secretary's estimate of the cost of acquisition, which amount (in cash or its equivalent) in either instance may be applied for the payment of settlement costs and initial payments for taxes, hazard insurance, mortgage insurance premiums, and other prepaid expenses.

"(3) Upon the sale of all of the family units covered by the project mortgage, and the release of all of the family units (including the undivided interest allocable to each unit in the common areas and facilities) from the lien of the project mortgage, the insurance of the project mortgage shall be terminated and no adjusted premium charge shall be collected by the Secretary upon such termination.

"(4) As used in this subsection, the terms 'mortgage' and 'common areas and facilities' shall have the same meaning as in section 234.

"(5) The Secretary is authorized to make periodic interest reduction payments on behalf of a mortgagor whose mortgage is insured under this subsection. These payments

shall be made only during such time as the mortgagor shall continue to occupy the property which secures the mortgage and shall be in amounts determined pursuant to the formula prescribed in section 235(c) for the payment of assistance payments on behalf of mortgagors whose mortgages are insured under section 235(1); Provided, That interest reduction payments may be made on behalf of a homeowner who assumes a mortgage insured under this subsection with respect to which interest reduction payments have been made on behalf of the previous owner, if the homeowner is approved by the Secretary as eligible for receiving such assistance."

(b) The first sentence of section 236(1) (2) of such Act is amended by adding before the period at the end thereof the following:

"Provided, That the foregoing limitations shall be applicable to families purchasing individual condominium units covered by mortgages insured under subsection (n) who were not occupants of the rental project immediately preceding its conversion to a condominium project."

(c) Section 238(a) of such Act is amended—

(1) by striking out "or 237" each place it appears in paragraph (1) and inserting in lieu thereof "236(n) (2), or 237"; and

(2) by striking out "or 236" each place it appears in paragraph (2) and inserting in lieu thereof "or section 236(j)".

(d) Section 3(a) of the Act entitled "An Act to amend chapter 37 of title 38 of the United States Code with respect to the veteran's home loan program, to amend the National Housing Act with respect to interest rates on insured mortgages, and for other purposes", approved May 7, 1968, is amended by striking out "236(j) (4) (B), 240(c) (4)" and inserting in lieu thereof "236(j) (4) (B), 236(n) (2) (B), 240(c) (4)".

PREFERENCES IN SECTION 237 MORTGAGE INSURANCE PROGRAM

SEC. 110. Section 237(d) of the National Housing Act is amended—

(1) by inserting "and in providing counseling services" after "applications"; and

(2) by inserting "(1) to families which are eligible for assistance payments under section 235, and (2)" after "this section".

EXPANSION OF THE FHA NURSING HOME PROGRAM TO INCLUDE INTERMEDIATE CARE FACILITIES

SEC. 111. Section 232 of the National Housing Act is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) The purpose of this section is to assist in the provision of facilities for either of the following purposes or for a combination of such purposes:

"(1) The development of nursing homes for the care and treatment of convalescents and other persons who are not acutely ill and do not need hospital care but who require skilled nursing care and related medical services.

"(2) The development of intermediate care facilities for the care of persons who, while not in need of nursing home care and treatment, nevertheless are unable to live fully independently and who are in need of minimum but continuous care provided by licensed or trained personnel."

(2) by striking out "and" at the end of subsection (b) (1);

(3) by redesignating subsection (b) (2) as (b) (3) and inserting a new subsection (b) (2) to read as follows:

"(2) The term 'intermediate care facility' means a proprietary facility or facility of a private nonprofit corporation or association licensed or regulated by the State (or, if there is no State law providing for such licensing and regulation by the State, by the municipality or other political subdivision in which the facility is located) for the accommodation of persons who, because of incapacitating infirmities, require minimum but continuous care but are not in need of

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continuous medical or nursing services; and"
by striking out in the introductory
of subsection (d) "a new or rehabili-
nursing home" and inserting in lieu
of "a new or rehabilitated nursing home
intermediate care facility or combined
nursing home and intermediate care
facility";

by striking out in subsection (d) (2)
of the nursing home" and insert-
in lieu thereof "operation of the fa-
cility";

by striking out subsection (d) (4) and
inserting in lieu thereof the following:

(4) The Secretary shall not insure any
mortgage under this section unless he has re-
ceived from the State agency designated in
accordance with section 604 (a) (1) of the
Public Health Service Act for the State in
which is located the nursing home or inter-
mediate care facility or combined nursing
home and intermediate care facility covered
by the mortgage, a certification that (A)
there is a need for such facility or home, and
(B) there are in force in such State or other
political subdivision of the State in which
the proposed facility or home would be
located reasonable minimum standards of
measure and methods of operation govern-
ing the facility or home. No such mortgage
shall be insured under this section unless
the Secretary has received such assurance
as he may deem satisfactory from the State
agency that such standards will be applied
and enforced with respect to any facility or
home located in the State for which mort-
gage insurance is provided under this sec-
tion; and

(7) by adding new subsections (g) and
(h) at the end thereof to read as follows:

(g) The Secretary shall prescribe such
regulations as may be necessary to carry out
the provisions of this section relating to
intermediate care facilities, after consulting
with the Secretary of Health, Education, and
Welfare with respect to any health or medical
aspects of the program which may be in-
volved in such regulations.

(h) The Secretary shall also consult with
the Secretary of Health, Education, and Wel-
fare as to the need for and the availability
of intermediate care facilities in any area for
which an intermediate care facility is pro-
posed under this section."

**FLEXIBLE MORTGAGE AMOUNTS FOR SINGLE-
FAMILY AND MULTIFAMILY HOUSING**

SEC. 112. Title II of the National Housing
Act is amended by adding at the end thereof
the following new section:

"FLEXIBLE MORTGAGE AMOUNTS

SEC. 243. (a) Notwithstanding any other
provision of this Act, the per dwelling or per
family unit dollar limitations on the maxi-
mum principal mortgage amounts prescribed
in the various sections of this title shall be
adjusted as provided in this section.

(b) As soon as possible after the date of
enactment of the Housing and Urban De-
velopment Act of 1969, the Secretary shall
determine the extent by which the price
index in calendar year 1968 was higher or
lower than the price index in calendar year
1965. If the Secretary determines that the
price index has risen or fallen by at least 3
per centum, the dollar limitations on the
maximum principal mortgage amounts re-
ferred to in subsection (a) may be increased
or decreased, as appropriate, by the per-
centage so determined (adjusted to the nearest
100), effective upon the date of publication
in the Federal Register. As soon as possible
after January 1, 1970, and each year there-
after, the Secretary shall determine the ex-
tent by which the price index in the preced-
ing calendar year was higher or lower than
the price index in the calendar year imme-
diately preceding the last year in which an
adjustment in dollar limitations under this
section was made, or if no adjustment has
been made, the calendar year 1965. If the
Secretary determines that the price index

has risen or fallen by at least 3 per centum,
the dollar limitation on such maximum prin-
cipal mortgage amounts, as previously ad-
justed, may be increased or decreased, as
appropriate, by the percentage so determined
(adjusted to the nearest \$100), effective
upon the date of publication in the Federal
Register.

"(c) For purposes of this section, the term
'price index' means the 'Price Index for New
One-Family Houses Sold', published annually
by the Bureau of the Census."

INCREASE IN GNMA PURCHASE AUTHORITY

SEC. 113. Section 302(b) of the National
Housing Act is amended—

(1) by striking "exceeds or exceeded
\$17,500" in clause (3) of the proviso to the
first sentence and inserting in lieu thereof
"exceeds or exceeded \$20,000";

(2) by striking "that exceeds \$17,750" in
the second sentence and inserting in lieu
thereof "that exceeds the otherwise applica-
ble maximum amount"; and

(3) by striking "did not exceed \$17,500" in
the second sentence and inserting in lieu
thereof "did not exceed the otherwise ap-
plicable maximum amount".

GNMA SPECIAL ASSISTANCE PURCHASES

SEC. 114. Section 305 of the National Hous-
ing Act is amended by adding at the end
thereof a new subsection as follows:

"(j) Notwithstanding any other pro-
vision of this Act, the Association is author-
ized to purchase pursuant to commitments
or otherwise mortgages otherwise eligible
for purchase under this section at a price
equal to the unpaid principal amount thereof
at the time of purchase, with adjustments
for interest and any comparable items, and
to sell such mortgages at any time at a price
within the range of market prices for the
particular class of mortgages involved at
the time of sale as determined by the
Association."

AUTHORIZATION FOR RENT SUPPLEMENTS

SEC. 115. The last sentence in section
101(a) of the Housing and Urban Develop-
ment Act of 1965 is amended—

(1) by striking out "and" the second time
it appears; and

(2) by inserting before the period a comma
and the following: "and by \$82,000,000 on
July 1, 1971".

**RENT SUPPLEMENT UNITS IN SECTION 236
PROJECTS**

SEC. 116. Section 101(j)(1)(D) of the
Housing and Urban Development Act of
1965 is amended by inserting before the
period a comma and the following: "except
that the foregoing limitation may be in-
creased to 40 per centum of the dwelling
units in any such property if the Secretary
determines that such increase is necessary
and desirable in order to provide additional
housing for individuals and families meeting
the requirements of subsection (c)".

**TITLE II—URBAN RENEWAL AND HOUSING
ASSISTANCE PROGRAMS**

URBAN RENEWAL GRANT AUTHORITY

SEC. 201. The first sentence of section 103
(b) of the Housing Act of 1949 is amended
by striking out all that follows "exceed" and
inserting in lieu thereof "\$9,000,000,000,
which amount shall be increased by \$1,300,-
000,000 on July 1, 1970, and by \$1,700,000,000
on July 1, 1971."

**EXTENSION OF URBAN RENEWAL ASSISTANCE TO
THE TRUST TERRITORY OF THE PACIFIC IS-
LANDS AND TO INDIAN TRIBES**

SEC. 202. (a) Section 110(h) of the Hous-
ing Act of 1949 is amended by striking the
second sentence and inserting in lieu there-
of a new sentence as follows: "The term
'State' includes the several States, the Dis-
trict of Columbia, the Commonwealth of
Puerto Rico, the Trust Territory of the Pa-
cific Islands, the territories and possessions
of the United States, and Indian tribes,

bands, groups, and nations, including Alaska
Indians, Aleuts, and Eskimos, of the United
States".

(b) The first sentence of section 116 of
such Act is amended by striking "and count-
ies" and inserting in lieu thereof "counties,
and Indian tribes, bands, groups, and na-
tions, including Alaska Indians, Aleuts, and
Eskimos, of the United States".

(c) The first sentence of section 117 of
such Act is amended by striking "and count-
ies" and inserting in lieu thereof "counties,
and Indian tribes, bands, groups, and na-
tions including Alaska Indians, Aleuts, and Es-
kimos, of the United States".

(d) The first sentence of section 118 of
such Act is amended by striking "and count-
ies" and inserting in lieu thereof "counties,
and Indian tribes, bands, groups, and na-
tions including Alaska Indians, Aleuts, and Es-
kimos, of the United States".

**EXTENSION OF PERIOD OF ELIGIBILITY OF LOCAL
GRANTS-IN-AID FOR CERTAIN NEIGHBORHOOD
DEVELOPMENT PROJECTS**

SEC. 203. Section 133(a) of the Housing
Act of 1949 is amended—

(1) by striking out "For" and inserting in
lieu thereof "Except as otherwise provided
in this subsection for"; and

(2) by adding at the end thereof a new
sentence as follows: "In connection with any
neighborhood development program for
which an application has been filed on or
before August 11, 1969 (for which no con-
tract for financial assistance under the pro-
gram has been authorized by the Secretary),
the three-year period referred to above shall
be extended to a period of four years prior
to authorization of (1) the first contract for
financial assistance under the program which
includes the urban renewal area benefited by
the public improvement or facility for which
credit is claimed, or (2) a contract for a loan
or capital grant for an urban renewal pro-
ject authorized after August 11, 1969, in an
area which is benefited by the public im-
provement or facility for which credit is
claimed and which was included in the neigh-
borhood development program application."

**REMOVAL OF INCOME LIMITATION FOR LOANS
UNDER REHABILITATION LOAN PROGRAM**

SEC. 204. Section 312(a) of the Housing
Act of 1964 is amended by striking out the
last sentence thereof.

LOANS FOR PUBLIC HOUSING PROJECTS

SEC. 205. Section 9 of the United States
Housing Act of 1937 is amended by striking
out the third sentence.

PUBLIC HOUSING ANNUAL CONTRIBUTIONS

SEC. 206. (a) The proviso to section 10(b)
of the United States Housing Act of 1937 is
amended by inserting after "any contract"
the following: ", although not limited to
debt service requirements."

(b) The first sentence of section 10(e)
of such Act is amended by striking out "on
July 1 in each of the years 1969 and 1970"
and inserting in lieu thereof "on July 1,
1969, \$170,000,000 on July 1, 1970, and \$175,-
000,000 on July 1, 1971".

**NOTIFICATIONS TO APPLICANTS FOR ADMISSION
TO PUBLIC HOUSING PROJECTS**

SEC. 207. Section 10(g) of the United States
Housing Act of 1937 is amended—

(1) by striking out "and" at the end of
paragraph (2);

(2) by striking out the period at the end
of paragraph (3) and inserting in lieu there-
of "; and"; and

(3) by adding after paragraph (3) a new
paragraph as follows:

"(4) the public housing agency shall notify
promptly (1) any applicant determined to
be ineligible for admission to the project
of the basis for such determination and pro-
vide the applicant, within a reasonable time
after the determination is made, with an
opportunity for a hearing on such deter-
mination is made, with an opportunity for

a hearing on such determination, and (ii) any applicant determined to be eligible for admission to the project of the approximate date of occupancy insofar as such date can be reasonably determined."

ROOM COST LIMITATIONS FOR PUBLIC HOUSING PROJECTS

SEC. 208. (a) The proviso to the first sentence of section 15(5) of the United States Housing Act of 1937 is amended by striking out "\$750 per room" and inserting "45 per centum" in lieu thereof.

(b) Paragraph (5) of section 15 of such Act is amended by inserting "(A)" after "(5)" and by adding at the end thereof a new paragraph as follows:

"(B) As soon as possible after the date of enactment of the Housing and Urban Development Act of 1969, the Secretary shall determine the extent by which the building cost index in calendar year 1968 was higher or lower than such index in calendar year 1965. If the Secretary determines that the building cost index has risen or fallen by at least 3 per centum, the dollar limitations referred to in subparagraph (A) may be increased or decreased, as appropriate, by the percentage so determined (adjusted to the nearest \$100), effective upon the date of publication in the Federal Register. As soon as possible after January 1, 1970, and each year thereafter, the Secretary shall determine the extent by which the building cost index in the preceding calendar year was higher or lower than such index in the calendar year immediately preceding the last year in which an adjustment in dollar limitations under this subparagraph was made, or if no adjustment has been made, the calendar year 1965. If the Secretary determines that the building cost index has risen or fallen by at least 3 per centum, the dollar limitations referred to in subparagraph (A), as previously adjusted, may be increased or decreased, as appropriate, by the percentage so determined (adjusted to the nearest \$100), effective upon the date of publication in the Federal Register. For the purposes of this subparagraph, the term 'building cost index' means such index as the Secretary determines to be appropriate after giving full consideration to nationally recognized and published building cost indices."

MANAGEMENT AND SERVICES IN PUBLIC HOUSING PROJECTS

SEC. 209. The last sentence of section 15(10) of the United States Housing Act of 1937 is amended by striking "July 1, 1970" and inserting "July 1, 1972" in lieu thereof.

WAIVER OF WORKABLE PROGRAM REQUIREMENT WITH RESPECT TO CERTAIN LOW-RENT HOUSING IN PRIVATE ACCOMMODATIONS

SEC. 210. (a) Section 23(f) of the United States Housing Act of 1937 is amended by striking out all that follows "Housing Act of 1949," and inserting in lieu thereof "shall not apply to low-rent housing assisted or to be assisted under this section."

(b) The first proviso in section 101(c) of the Housing Act of 1949 is amended—

(1) by inserting "or under section 23 of the United States Housing Act of 1937" after "Housing and Urban Development Act of 1965"; and

(2) by inserting "(except a contract for annual contributions under section 23 of such Act)" after "United States Housing Act of 1937".

ADDITIONAL RENTAL ASSISTANCE IN BEHALF OF VERY LOW INCOME TENANTS OF PUBLIC HOUSING PROJECTS

SEC. 211. The United States Housing Act of 1937 is amended by redesignating section 24 as section 25, and by adding after section 23 a new section as follows:

"ADDITIONAL RENTAL ASSISTANCE

"SEC. 24. (a) In order to enable public housing agencies to provide housing within the means of families of very low income and

to provide improved operating and maintenance services, the Secretary may make, and contract to make, annual rental assistance payments to public housing agencies with respect to any low-rent housing projects.

"(b) The amount of the annual payment with respect to any dwelling unit in a low-rent housing project shall not exceed the amount by which the rental for such unit exceeds one-fourth of the tenant's income, as determined by the Secretary.

"(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, including such sums as may be necessary to make the rental assistance payments under contracts entered into under this section. The aggregate amount of the contracts to make such payments shall not exceed amounts approved in appropriation Acts, and payments pursuant to such contracts shall not exceed \$75,000,000 per annum.

"(d) As used in this section, the term 'rental for such unit' means the proportionate share attributable to a unit of the total shelter costs to be borne by the tenants in a low-rent housing project, including any separate charges to a tenant for reasonable utility use and for public services and facilities."

AUTHORIZATION FOR HOUSING FOR THE ELDERLY OR HANDICAPPED

SEC. 212. Paragraph (4) of section 202(a) of the Housing Act of 1959 is amended to read as follows:

"(4) There is authorized to be appropriated for the purposes of this section not to exceed \$500,000,000, which amount shall be increased by \$80,000,000 on July 1 of each of the years 1969, 1970, and 1971. Amounts so appropriated shall constitute a revolving fund to be used by the Secretary in carrying out this section."

AUTHORIZATION FOR COLLEGE HOUSING DEBT SERVICE GRANTS

SEC. 213. Section 401(f)(2) of the Housing Act of 1950 is amended by striking all that follows "exceed" and inserting in lieu thereof "\$20,000,000, which amount shall be increased by \$1,500,000 on July 1, 1970, and by \$9,000,000 on July 1, 1971."

ASSISTANCE FOR HOUSING IN ALASKA

SEC. 214. Section 1004(a) of the Demonstration Cities and Metropolitan Development Act of 1966 is amended by striking out "\$7,500" and inserting in lieu thereof "\$10,875".

TITLE III—MODEL CITIES AND METROPOLITAN DEVELOPMENT PROGRAMS

AUTHORIZATION FOR MODEL CITIES PROGRAM

SEC. 301. (a) Section 111(b) of the Demonstration Cities and Metropolitan Development Act of 1966 is amended—

(1) by striking out "and" the third time it appears; and

(2) by inserting before the period the following: ", not to exceed \$287,500,000 for the fiscal year ending June 30, 1971, and not to exceed \$1,500,000,000 for the fiscal year ending June 30, 1972."

(b) Section 111(c) of such Act is amended by striking out "1970" and inserting in lieu thereof "1972".

AUTHORIZATION FOR COMPREHENSIVE PLANNING GRANTS

SEC. 302. The fifth sentence of section 701(b) of the Housing Act of 1954 is amended by striking out "and not to exceed \$390,000,000 prior to July 1, 1970" and inserting in lieu thereof "not to exceed \$390,000,000 prior to July 1, 1971, and not to exceed \$430,000,000 prior to July 1, 1972".

UTILIZATION OF PRIVATE ENTERPRISE IN COMPREHENSIVE PLANNING AND PUBLIC WORKS PLANNING

SEC. 303. Section 701 of the Housing Act of 1954 is amended by redesignating subsection

(i) as subsection (j), and by inserting after subsection (h) the following new subsection:

"(i) Any grants made under this section to a State, metropolitan, or regional planning agency, an economic development district, or any other areawide planning agency for use by such agency or district to provide planning assistance to any local government or any agency or instrumentality of a local government shall be used in a manner consistent with the Federal Government's policy of relying on the private enterprise system to provide those services which are reasonably and expeditiously available through ordinary business channels."

AUTHORIZATION FOR OPEN SPACE, URBAN BEAUTIFICATION, AND HISTORIC PRESERVATION GRANTS

SEC. 304. The first sentence of section 702(b) of the Housing Act of 1961 is amended by striking out "and not to exceed \$460,000,000 prior to July 1, 1970" and inserting in lieu thereof "not to exceed \$460,000,000 prior to July 1, 1971, and not to exceed \$548,000,000 prior to July 1, 1972".

AUTHORIZATION FOR NEW COMMUNITY SUPPLEMENTARY ASSISTANCE GRANTS

SEC. 35. Section 412(d) of the Housing and Urban Development Act of 1968 is amended by striking out "July 1, 1970" and inserting in lieu thereof "July 1, 1972".

COMMUNITY FACILITIES GRANTS

SEC. 306. (a) Section 708(a) of the Housing and Urban Development Act of 1965 is amended by adding at the end thereof the following: "In addition there is authorized to be appropriated for grants under section 703 not to exceed \$34,000,000 for the fiscal year commencing July 1, 1971."

(b) Section 708(b) of such Act is amended by striking out "1970" and inserting in lieu thereof "1972".

URBAN MASS TRANSPORTATION

SEC. 307. (a) The first sentence of section 4(b) of the Urban Mass Transportation Act of 1964 is amended—

(1) by striking out "and" the second time it appears; and

(2) by striking out the period and inserting in lieu thereof "; and \$300,000,000 for fiscal year 1971."

(b) Section 5 of such Act is amended by striking out "1970" and inserting in lieu thereof "1971".

EXTENSION OF URBAN INFORMATION AND TECHNICAL ASSISTANCE SERVICES AUTHORIZATION

SEC. 308. Section 906 of the Demonstration Cities and Metropolitan Development Act of 1966 is amended by striking out "July 1, 1970" and inserting in lieu thereof "July 1, 1972".

TRAINING AND FELLOWSHIP PROGRAMS

SEC. 309. Title VIII of the Housing Act of 1964 is amended to read as follows:

"TITLE VIII—TRAINING AND FELLOWSHIP PROGRAMS

"FINDINGS AND PURPOSE

"SEC. 801. (a) The Congress finds that the rapid expansion of the Nation's urban area and urban population has caused severe problems in urban and suburban development and created a national need to provide special training in skills needed for economic and efficient community development, and (2) support research in new improved methods of dealing with community development problems.

"(b) It is the purpose of this title to provide fellowships for the graduate training of professional city planning and urban housing technicians and specialists, and to assist and encourage the States, in cooperation with public or private universities, colleges and urban centers and with business firms and associations, labor unions, and other interested associations and organizations,

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to (1) organize, initiate, develop, and expand programs which will provide special training in skills needed for economic and efficient community development to those technical, professional, and other persons with the capacity to master and employ such skills who are, or are training to be, employed by a governmental or public body which has responsibility for community development, or by a private nonprofit organization which is conducting or has responsibility for housing and community development programs; and (2) support State and local research that is needed in connection with housing programs and needs, public improvement programming, code problems, efficient land use, urban transportation, and similar community development problems.

FELLOWSHIPS FOR CITY PLANNING AND URBAN STUDIES

SEC. 802. (a) The Secretary is authorized to provide fellowships for the graduate training of professional city planning and urban and housing technicians and specialists as herein provided. Persons shall be selected for such fellowships solely on the basis of ability and upon the recommendation of the Urban Studies Fellowship Advisory Board established pursuant to subsection (b). Fellowships shall be solely for training in public and private nonprofit institutions of higher education having programs of graduate study in the field of city planning or in related fields (including architecture, civil engineering, economics, municipal finance, public administration, and sociology), which programs are oriented to training for careers in city and regional planning, housing, urban renewal, and community development.

(b) There is hereby established the Urban Studies Fellowship Advisory Board (hereinafter referred to as the "Board"), which shall consist of nine members to be appointed by the Secretary of Housing and Urban Development as follows: Three from public institutions of higher learning and three from private nonprofit institutions of higher education, who are the heads of departments which provide academic courses appropriately related to the fields referred to in subsection (a); and three from national organizations which are directly concerned with problems relating to urban, regional, and community development. The Board shall meet upon the request of the Secretary and shall make recommendations to him with respect to persons to be selected for fellowships under this section. Members of the Board shall be entitled to receive transportation expenses and a per diem in lieu of subsistence as authorized for members of advisory committees created pursuant to section 601 of the Housing Act of 1949.

"MATCHING GRANTS TO STATES

SEC. 803. (a) Subject to the provisions of this title and in accordance with regulations prescribed by him, the Secretary may make matching grants to States to assist in—

- (1) organizing, initiating, developing, or expanding programs to provide special training in skills needed for economic and efficient community development to those technical, professional, and other persons with the capacity to master and employ such skills who are, or are training to be, employed by a governmental or public body which has responsibilities for community development, or by a private nonprofit organization which is conducting or has responsibility for housing and community development programs; and
- (2) supporting State and local research that is needed in connection with housing programs and needs, public improvement programming, code problems, efficient land use, urban transportation, and similar community development problems, and collecting, collating, and publishing statistics and information relating to such research.

(b) No grants may be made to a State under this section unless the Secretary has approved a plan for the State which—

"(1) sets forth the proposed use of the funds and the objectives to be accomplished; "(2) explains the method by which the required amounts from non-Federal sources will be obtained;

"(3) provides such fiscal control and fund accounting procedures as may be reasonably necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State under this section;

"(4) designates an officer or agency of the State government who has responsibility and authority for the administration of a statewide research and training program as the officer or agency with responsibility and authority for the execution of the State's program under this section; and

"(5) provides that such officer or agency will make such reports to the Secretary, in such form, and containing such information, as may be reasonably necessary to enable the Secretary to perform his duties under this section.

(c) No grant may be made under this section for any use unless an amount at least equal to such grant is made available from non-Federal sources for the same purpose and for concurrent use.

"STATE LIMIT

"Sec. 804. Not more than 10 per centum of the total amount appropriated for the purposes of this title may be used for making grants to any one State.

"TECHNICAL ASSISTANCE, STUDIES, AND PUBLICATION OF INFORMATION

"Sec. 805. In order to carry out the purpose of this title, the Secretary is authorized to provide technical assistance to State and local governmental or public bodies and to undertake such studies and publish and distribute such information, either directly or by contract, as he shall determine to be desirable. Nothing contained in this title shall limit any authority of the Secretary under any other provision of law.

"APPROPRIATIONS

"Sec. 806. There is authorized to be appropriated for the purpose of making grants and providing fellowships under this title, without fiscal year limitation, not to exceed \$30,000,000. Any amounts appropriated under this section shall remain available until expended.

"MISCELLANEOUS

"Sec. 807. (a) As used in this title the term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands; and the term 'Secretary' means the Secretary of Housing and Urban Development.

"(b) There are authorized to be appropriated such sums as may be necessary for administrative and other expenses in carrying out this title."

TITLE IV—MISCELLANEOUS

FLEXIBLE INTEREST RATE AUTHORITY

SEC. 401. Section 3(a) of the Act entitled "an Act to amend chapter 37 of title 38 of the United States Code with respect to the veterans' home loan program, to amend the National Housing Act with respect to interest rates on insured mortgages, and for other purposes", approved May 7, 1968, is amended by striking out "October 1, 1969" and inserting in lieu thereof "April 1, 1970".

AUTHORIZATION FOR PROPERTY ACQUISITIONS IN APPLYING ADVANCES IN TECHNOLOGY TO HOUSING AND URBAN DEVELOPMENT

SEC. 402. The first sentence of section 1010(c) of the Demonstration Cities and Metropolitan Development Act of 1968 is amended—

- (1) by inserting "(1)" after "authorized"; and
- (2) by inserting before the period a comma and the following: "and (2) notwithstanding

any other provision of law, to acquire, use, and dispose of land and other property as he deems necessary to carry out the purposes of subsection (a)(1) of this section".

EXTENSION OF CERTAIN PROVISIONS OF LAW RELATING TO HOUSING AND URBAN DEVELOPMENT TO THE TRUST TERRITORY OF THE PACIFIC ISLANDS

SEC. 403. (a) Paragraph (12) of section 2 of the United States Housing Act of 1937 is amended to read as follows:

"(12) The term 'State' includes the States of the Union, the District of Columbia, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, and the territories and possessions of the United States."

(b) Section 206 of the Housing Amendments of 1955 is amended by striking out "and the Territories and possessions of the United States" and inserting in lieu thereof "the Trust Territory of the Pacific Islands, and the territories and possessions of the United States".

(c) (1) Section 201(d) of the National Housing Act is amended by inserting "the Trust Territory of the Pacific Islands," after "Guam."

(2) Section 207(a)(7) of such Act is amended by inserting "the Trust Territory of the Pacific Islands," after "Guam."

(3) Section 9 of such Act is amended by inserting "the Trust Territory of the Pacific Islands," after "Guam."

EMPLOYMENT OPPORTUNITIES FOR LOWER INCOME PERSONS IN CONNECTION WITH HUD-ASSISTED PROJECTS

SEC. 404. Section 3 of the Housing and Urban Development Act of 1968 is amended to read as follows:

"EMPLOYMENT OPPORTUNITIES FOR LOWER INCOME PERSONS IN CONNECTION WITH ASSISTED PROJECTS

"Sec. 3. In the administration by the Secretary of Housing and Urban Development of programs providing financial assistance in aid of housing; urban planning, development, redevelopment, or removal; public or community facilities; and new community development; the Secretary shall—

"(1) require, in consultation with the Secretary of Labor, that to the greatest extent feasible opportunities for training and employment arising in connection with the planning and carrying out of any project assisted under any such program be given to lower income persons residing in the area of such project; and

"(2) require, in consultation with the Administrator of the Small Business Administration and the Secretary of Labor, that to the greatest extent feasible contracts for work to be performed in connection with any such project be awarded to business concerns, including but not limited to individuals of firms doing business in the field of planning, consulting, design, architecture, building construction, rehabilitation, maintenance, or repair, which are located in or owned in substantial part by persons residing in the area of such project."

URBAN PROPERTY PROTECTION AND REINSURANCE—ENTRY INTO REINSURANCE CONTRACTS

SEC. 405. Section 1222(d) of the National Housing Act is amended by striking all that follows "thereafter" the first time that word appears and inserting in lieu thereof a period.

URBAN PROPERTY PROTECTION AND REINSURANCE—STATE SHARE OF REINSURED LOSSES

SEC. 406. Section 1223(a) of the National Housing Act is amended by striking out paragraph (1) and inserting in lieu thereof the following:

"(1) in any State which has not, after the close of the second full regular session of the appropriate State legislative body following the date of the enactment of this title, adopted appropriate legislation, retroactive to the date of the enactment of this

title, under which the State, its political subdivisions, or a governmental corporation or fund established pursuant to State law, will reimburse the Secretary for any reinsured losses in that State in any reinsurance contract year, in an amount up to 5 per centum of the aggregate property insurance premiums earned in that State during the calendar year immediately preceding the end of the reinsurance contract year on those lines of insurance reinsured by the Secretary in that State during the contract year, to the extent that reinsured losses paid by the Secretary for such year exceed the total of (A) reinsurance premiums earned in that State during that reinsurance contract year plus (B) the excess of (1) the total premiums earned by the Secretary for reinsurance in that State during a preceding period measured from the end of the most recent reinsurance contract year with respect to which the Secretary was reimbursed for losses under this title over (ii) any amounts paid by the Secretary for reinsured losses that were incurred during such period;".

STUDY OF REINSURANCE AND OTHER PROGRAMS

SEC. 407. Section 1235(b) of the National Housing Act is amended by striking "one year following the date of the enactment of this title" and inserting in lieu thereof "December 31, 1969".

NATIONAL FLOOD INSURANCE PROGRAM

SEC. 408. (a) Paragraph (2) of section 1305(c) of the National Flood Insurance Act of 1968 is amended by striking "June 30, 1970, permanent" and inserting in lieu thereof "December 31, 1971, adequate".

(b) Section 1315 of such Act is amended—

(1) by striking "June 30, 1970" and inserting in lieu thereof "December 31, 1971"; and

(2) by striking "permanent" and inserting in lieu thereof "adequate".

(c) Section 1361(c) of such Act is amended by striking "permanent" and inserting in lieu thereof "adequate".

(d) (1) Section 1302 of the Housing and Urban Development Act of 1968 is amended by adding at the end thereof the following new subsection:

"(f) The Congress also finds that (1) the damage and loss which results from mudslides is related in cause and similar in effect to that which results directly from storms, deluges, overflowing waters, and other forms of flooding, and (2) the problems involved in providing protection against this damage and loss, and the possibilities for making such protection available through a Federal or federally sponsored program, are similar to those which exist in connection with efforts to provide protection against damage and loss by such other forms of flooding. It is therefore the further purpose of this title to make available, by means of the methods, procedures, and instrumentalities which are otherwise established or available under this title for purposes of the flood insurance program, protection against damage and loss resulting from mudslides that are caused by accumulations of water on or under the ground."

(2) Section 1370 of the Housing and Urban Development Act of 1968 is amended by inserting "(a)" after "Sec. 1370.", and by adding at the end thereof the following new subsection:

"(b) The term 'flood' shall also include inundation from mudslides which are caused by accumulations of water on or under the ground; and all of the provisions of this title shall apply with respect to such mudslides in the same manner and to the same extent as with respect to floods described in paragraph (1), subject to and in accordance with such regulations, modifying the provisions of this title (including the provisions relating to land management and use, to the extent necessary to ensure that they can be effectively so applied, as the Secretary may prescribe to achieve (with re-

spect to such mudslides) the purposes of this title and the objectives of the program."

INTERSTATE LAND SALES

SEC. 409. The second sentence of section 1403(a) of the Housing and Urban Development Act of 1968 is amended to read as follows: "As used in this subparagraph, the terms 'liens', 'encumbrances' and 'adverse claims' do not refer to property reservations which land developers commonly convey or dedicate to local bodies or public utilities for the purpose of bringing public services to the land being developed nor to taxes and assessments imposed by a State, by any other public body having authority to assess and tax property, or by a property owners' association, which, under applicable State or local law, constitute liens on the property before they are due and payable, nor to covenants, conditions, and restrictions imposed to control future use of the property and the types and locations of structures to be placed thereon; if (a) the developer, prior to the time the contract of sale or lease is entered into, has furnished each purchaser with a statement setting forth in clear and understandable terms the types and amounts of all such reservations, taxes, assessments, covenants, conditions, and restrictions which are applicable to the lot to be purchased, and (B) receipt of such statement has been acknowledged in writing by the purchaser, and a copy of the acknowledged statement is filed with the Secretary."

REPORTS

SEC. 410. (a) Section 1603 of the Housing and Urban Development Act of 1968, is amended by striking out "January 15," and inserting in lieu thereof "February 1,".

(b) The last sentence of section 235(h) (2) of the National Housing Act is amended by striking out "annually" and inserting in lieu thereof "semiannually".

(c) The last sentence of section 236(1) (2) of the National Housing Act is amended by striking out "annually" and inserting in lieu thereof "semiannually".

RURAL HOUSING

SEC. 411. (a) Sections 513, 515(b) (5), and 517(a) (1) of the Housing Act of 1949 are amended respectively by striking out "October 1, 1969", wherever it appears in such sections, and inserting in lieu thereof "October 1, 1973".

(b) Section 517(c) of such Act is amended by striking out "\$100,000,000" and inserting in lieu thereof "\$350,000,000".

(c) Section 517 of such Act is amended by adding at the end thereof a new subsection as follows:

"(k) Any sale by the Secretary of loans individually or in blocks, pursuant to subsections (c) and (g), shall be treated as a sale of assets for the purposes of the Budget and Accounting Act, 1921, notwithstanding the fact that the Secretary, under an agreement with the purchaser, holds the debt instruments evidencing the loans and holds or reinvests payments thereon as trustee and custodian for the purchaser."

(d) (1) Title V of such Act is amended by adding at the end thereof a new section as follows:

"FINANCIAL ASSISTANCE TO NONPROFIT ORGANIZATIONS TO PROVIDE SITES FOR RURAL HOUSING FOR LOW- AND MODERATE-INCOME FAMILIES

"SEC. 524. (a) The Secretary may make loans, on such terms and conditions and in such amounts as he deems necessary, to public or private nonprofit organizations for the acquisition and development of land, as building sites to be subdivided and sold to families, nonprofit organizations, and cooperatives eligible for assistance under section 235 or 236 of the National Housing Act or section 521 of this Act. Such a loan shall bear interest at a rate prescribed by the Secretary taking into consideration a rate determined annually by the Secretary of the

Treasury as the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, and shall be repaid within a period not to exceed two years from the making of the loan or within such additional period as may be authorized by the Secretary in any case as being necessary to carry out the purposes of this section.

"(b) In determining whether to extend financial assistance under this section, the Secretary shall take into consideration among other factors, (1) the suitability of the area to the types of dwellings which can feasibly be provided, and (2) the extent to which the assistance will (i) facilitate providing needed decent, safe, and sanitary housing, (ii) be utilized efficiently and expeditiously, and (iii) fulfill a need in the area which is not otherwise being met through other programs, including those being carried out by other Federal, State, or local agencies."

(2) Section 517(b) of such Act is amended by striking out "and 515" and inserting ", 515", and by adding after "(b) (4).", the following: "and 524."

SALE OF LAND FOR HOUSING

SEC. 412. (a) Notwithstanding the provisions of the Federal Property and Administrative Services Act of 1949, any excess real property within the meaning of such Act may in the discretion of the Administrator of General Services be transferred to the Secretary of Housing and Urban Development at his request for sale or lease by him at its fair value for use in the provision of rental or cooperative housing to be occupied by families or individuals of low or moderate income. Any such sale or lease of excess land shall be made only to (1) a public body which will use the land in connection with the development of a low-rent housing project assisted under the United States Housing Act of 1937, or under a State or local program found by the Secretary of Housing and Urban Development to have the same general purposes as the Federal program under such Act, or (2) a purchaser or lessee who will use the land in connection with the development of housing (A) with respect to which annual payments will be made to the housing owner pursuant to section 101 of the Housing and Urban Development Act of 1965, (B) financed with a mortgage which receives the benefits of the interest rate provided for in the proviso in section 221 (d) (5) of the National Housing Act, or (C) with respect to which interest reduction payments will be made under section 236 of the National Housing Act: *Provided*, That prior to any such sale or lease to a purchaser or lessee other than a public body, the Secretary shall notify the governing body of the locality where the land is located of the proposed sale or lease and no such sale or lease shall be made if the local governing body, within ninety days of such notification, formally advises the Secretary that it objects to the proposed sale or lease. If the United States paid valuable consideration for any such land the Secretary shall not sell it for less than its cost to the United States at the time of acquisition. In addition, if such land contains improvements constructed by the Federal Government which have potential use in the provision of housing for low- or moderate-income families or individuals, the improvements shall be separately appraised for such use and the price for which such land is sold shall include an amount which is not less than the value of such improvements as so appraised.

(b) Section 517(c) of such Act is amended by adding at the end thereof a new subsection as follows:

"(k) Any sale by the Secretary of loans individually or in blocks, pursuant to subsections (c) and (g), shall be treated as a sale of assets for the purposes of the Budget and Accounting Act, 1921, notwithstanding the fact that the Secretary, under an agreement with the purchaser, holds the debt instruments evidencing the loans and holds or reinvests payments thereon as trustee and custodian for the purchaser."

(d) (1) Title V of such Act is amended by adding at the end thereof a new section as follows:

"FINANCIAL ASSISTANCE TO NONPROFIT ORGANIZATIONS TO PROVIDE SITES FOR RURAL HOUSING FOR LOW- AND MODERATE-INCOME FAMILIES

"SEC. 524. (a) The Secretary may make loans, on such terms and conditions and in such amounts as he deems necessary, to public or private nonprofit organizations for the acquisition and development of land, as building sites to be subdivided and sold to families, nonprofit organizations, and cooperatives eligible for assistance under section 235 or 236 of the National Housing Act or section 521 of this Act. Such a loan shall bear interest at a rate prescribed by the Secretary taking into consideration a rate determined annually by the Secretary of the

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for families or individuals of low or moderate income for a period of not less than twenty years. The Secretary shall notify the Committees on Banking and Currency of the Senate and House of Representatives whenever any excess land is sold or leased by him pursuant to the authority of this section.

SAVINGS AND LOAN ASSOCIATIONS

SEC. 413. (a) Section 5 of the Federal Home Loan Bank Act (12 U.S.C. 1425) is amended to read as follows:

"Sec. 5. No institution shall be admitted to or retained in membership, or granted the privileges of nonmember borrowers, if the combined total of the amounts paid to it for interest, commission, bonus, discount, premium, and other similar charges, less a proper deduction for all dividends, refunds, and cash credits of all kinds, creates an actual net cost to the home owner in excess of the lawful contract rate of interest applicable to such transactions, or, in case there is no lawful contract rate of interest applicable to such transactions, in excess of such rates as may be prescribed in writing by the board acting in its discretion from time to time. This section applies only to home mortgages on single-family dwellings."

(b) Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1484(c)) is amended by adding at the end thereof a new paragraph as follows:

"Without regard to any other provision of this subsection, any such association is authorized to invest in shares of stock issued by a corporation authorized to be created pursuant to title IX of the Housing and Urban Development Act of 1968, and is authorized to invest in any partnership, limited partnership, or joint venture formed pursuant to section 907(a) or 907(c) of that Act."

(c) (1) Section 404(d)(2)(B) of the National Housing Act (12 U.S.C. 1727(d)(2)(B)) is amended by striking out "1966" and inserting in lieu thereof "1965".

(2) Section 6(b) of the Act of September 21, 1968 (Public Law 90-505) is amended by striking out "1968" and inserting in lieu thereof "1965".

TECHNICAL AMENDMENT

SEC. 414. (a) Section 235(c) of the National Housing Act is amended by inserting immediately before the period at the end of the first sentence the following: "Provided further, That the Secretary is authorized to continue making such assistance payments where the mortgage has been assigned to the Secretary."

(b) Section 236(b) of such Act is amended by striking out "Provided, That" and inserting in lieu thereof the following: "Provided, That the Secretary is authorized to continue making such interest reduction payments where the mortgage has been assigned to the Secretary: *Provided further, That*."

(c) Section 223(d) of such Act is amended by inserting the following new sentence at the end thereof: "A loan involving a project covered by a mortgage insured under section 213 that is the obligation of the Cooperative Management Housing Insurance Fund shall be the obligation of such fund, and loans involving projects covered by a mortgage insured under section 236 or under any section of this title pursuant to section 223(e) shall be the obligation of the Special Risk Insurance Fund."

(d) Section 223(e) of such Act is amended to read as follows:

"(e) Notwithstanding any of the provisions of this Act except section 212, and without regard to limitations upon eligibility contained in any section or title of this Act, the Secretary is authorized, upon application by the mortgagee, to insure under any section or title of this Act a mortgage executed in connection with the repair, rehabilitation, construction, or purchase of property located in an older, declining urban area in which the conditions are such that one or more of the eligibility requirements applicable to the section or title of this Act under which in-

surance is sought could not be met, if the Secretary finds that (1) the area is reasonably viable, giving consideration to the need for providing adequate housing or group practice facilities for families of low and moderate income in such area, and (2) the property is an acceptable risk in view of such consideration. The insurance of a mortgage pursuant to this subsection shall be the obligation of the Special Risk Insurance Fund."

(e) Section 214 of such Act is amended by inserting in the first sentence after "construct dwellings" the words "or mobile home courts or parks".

SEC. 415. Section 702(c) of the Housing and Urban Development Act of 1965 is amended by striking out "October 1, 1969" and inserting in lieu thereof "May 1, 1970".

SEC. 416. Section 2 of the National Housing Act is amended by—

(1) inserting "(1)" after the words "for the purpose of" in the first sentence of subsection (a);

(2) inserting "; and for the purpose of (ii) financing the purchase of a mobile home to be used by the owner as his principal residence" before the period at the end of the first sentence of subsection (a);

(3) inserting "(other than mobile homes)" after "new residential structures" in clause (1) of subparagraph (iii) of the second paragraph of subsection (a);

(4) inserting the following new sentence at the end of subsection (a): "The Secretary is hereby authorized and directed, with respect to mobile homes to be financed under this section, to (i) prescribe minimum standards of construction and design to assure the livability and durability of the mobile home; and (ii) obtain assurances from the borrower that the mobile home will be placed on a site which complies with local zoning and other applicable local requirements";

(5) inserting ", except that an obligation financing the purchase of a mobile home may be in an amount not exceeding \$10,000" before the semicolon at the end of clause (1) in the first sentence of subsection (b);

(6) inserting ": *Provided, That* an obligation financing the purchase of a mobile home may have a maturity not in excess of twelve years and thirty-two days" before the semicolon at the end of clause (2) in the first sentence of subsection (b); and

(7) striking out "real property" each place it appears in subsection (c)(2) and inserting in lieu thereof "real or personal property".

SEC. 417. Section 1010(a) of the Demonstration Cities and Metropolitan Development Act of 1966 is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (3) a new paragraph as follows:

"(4) assure, to the extent feasible, in connection with housing construction, any major rehabilitation, and maintenance under programs administered by the Department of Housing and Urban Development, that there is no unreasonable restraint by contract or practice against the employment of new or improved technologies, techniques, materials and methods or of preassembled products which may reduce the cost or improve the quality of such construction, rehabilitation, and maintenance, and therefore stimulate expanded production of housing under such programs."

Mr. TOWER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Secretary

of the Senate be authorized and directed to make any necessary clerical and technical changes in the engrossed bill (S. 2864).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, the Senator from Alabama (Mr. SPARKMAN) deserves the highest commendation of the entire Senate for his able and competent handling of the housing program extension just adopted overwhelmingly. Senator SPARKMAN yields to no one in his knowledge and understanding of this Nation's housing needs. He has been constantly in the forefront, I might say, in bringing new and imaginative ideas into the field of housing. We are again in his debt.

Joining the distinguished chairman of the Banking and Currency Committee in guiding this measure through to swift adoption by the Senate was the distinguished senior Senator from Utah (Mr. BENNETT), the ranking minority member of the committee. Joined by the Senator from Texas (Mr. TOWER), their thoughtful views on the matters involved contributed a great deal to the high caliber of the entire debate. So to Senator BENNETT and to Senator TOWER both we are extremely grateful.

Likewise, we are indebted to the Senator from Wisconsin (Mr. PROXMIER) for once again bringing his devoted efforts to bear on this measure. As usual, his contribution was immeasurable. The same may be said for the Senator from New York (Mr. JAVITS).

Finally, the Senate appreciates the contributions of the Senator from Minnesota (Mr. MONDALE), the Senator from Iowa (Mr. MILLER) and the many others who joined the discussion. The Senate may again be proud of a fine achievement obtained with efficient and orderly action.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1888) to change the composition of the Commission for Extension of the U.S. Capitol.

FOOD STAMP PROGRAM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 283, S. 2547, and that it be laid before the Senate and made the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2547) to amend the Food Stamp Act of 1964.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and

velopment. I do not believe that HUD should be making money from our older citizens. These are the people who have been working for thirty or forty years and have usually been paying the bulk of the taxes. I believe that at least in their retirement years they should be able to receive a fair deal from their government.

Thirdly, my amendment would set income limits for tenants in a project. We would continue to use the criteria of 135% of that which is required under the public housing program. However, we would set up a second category which would state that the tenant's income shall not exceed \$6500 for a single person and \$6600 for a couple. I feel that this ceiling is adequate for the elderly and it guarantees that only those elderly persons who cannot provide for themselves are allowed to obtain housing in these projects.

Fourthly, there are no objections from any source concerning changing the income verification section from two years to every five years or at such other times as the Secretary shall determine.

I would appreciate your giving consideration to my amendments. I know that the Department is opposed but I feel that you might be sympathetic to my position in light of the fact that you are the author of the 202 section of the Housing and Urban Development Act of 1959. Also, I feel very strongly that my amendments are needed in light of the expenses of the different groups being forced to convert from the 202 to the 236 program.

Any assistance you could be to me in this matter would be sincerely appreciated.

Very truly yours,

BEN B. BLACKBURN,
Member of Congress, Fourth District,
Georgia.

(Mrs. DWYER (at the request of Mr. WIDNALL) was granted permission to extend her remarks at this point in the RECORD.)

Mrs. DWYER. Mr. Speaker, this year's housing bill is a collection of various amendments to existing housing and urban development programs. The spending authority is in the billions, but in light of the pressing needs we face in our urban centers, it can be little else. It is a 1-year bill, as the House preferred. We intend to keep the administrative nose to the grindstone by coming back next year.

This year, we also have a housing bill which is mostly, and emphatically, amendments arising from within the Congress. There are the extensions of basic HUD programs and a few HUD amendments. But the real Romney program has yet to come. It will arrive shortly.

This year's bill, therefore, reflects the work of the Congress. And some of the changes we are making in ongoing programs are highly significant.

For instance, Senator BROOKE introduced an amendment substantially altering the character of the public housing program. Ten years ago, in 1959, when we revised that program in the name of local autonomy, we had no intention of allowing local public housing authorities to charge higher and higher rents to the poor people as a means of avoiding bankruptcy. Yet, the much higher costs of today are no longer able to be financed out of rental income and in many cases public housing rents now greatly exceed tenants' ability to pay.

The Brooke amendment assures that those who qualify for public housing need pay no more than 25 percent of their income for rent. And, I might add, this ceiling of 25 percent should not encourage housing authorities to begin raising rents to that level. Seventy-five percent of the tenants still pay less than 25 percent.

In connection with public housing, Mr. Speaker, we were especially concerned about the incidents of mismanagement in local housing authorities that have been reported. High operating costs, and deteriorating conditions due to inefficient or lax management cannot be tolerated.

On the other hand, there must be a greater degree of tenant responsibility as well. Irresponsible tenant behavior jeopardizes the future of this program and therefore must be corrected.

There are other amendments I would call to the Members' attention. In the urban renewal program, the provision extending the period of eligibility for non-cash grants-in-aid by 1 year is an especially important one. It reflects the delays and problems encountered by HUD in connection with the neighborhood development program. It has taken about 1 year to understand the problems inherent in the program, and this amendment recognizes that fact, and attempts to deal with it so that local communities will not lose what they are entitled to.

Another amendment I am particularly happy to support, and strongly, is the one providing \$150 million for the elderly housing program, section 202.

This 202 3-percent program has been highly successful, and popular, especially because it involves local nonprofit groups in sponsoring the housing. It is one with which I associated myself in the legislation of 1956 and to which I then, as now, gave strong support.

Last year, when we were passing the interest-subsidy program, section 236, we gave HUD authority to convert the 202 projects into 236 projects. We did so because this took a Government-loan program into private-loan program involving smaller amounts of the subsidy.

However, when we did so, we intended only for this authority to be used when and if the sponsors wished. HUD misinterpreted the conversion feature and began requiring all 202 sponsors to convert automatically, whether or not they wanted to.

We intended this authority to be purely voluntary. We insist on that position today, in the managers' statement, and I strongly support that position. We like the 202 program; we have authorized an additional \$150 million for it, and we want the conversions to occur on a purely voluntary basis.

I urge our colleagues to approve the conference report.

Mrs. SULLIVAN. Mr. Speaker, first I want to express my appreciation to the chairman of the Subcommittee on Housing, Mr. BARRETT, and to the chairman of the full Committee on Banking and Currency, Mr. PATMAN, for the excellent leadership they have provided in working out the details of this very important and comprehensive housing bill. All of

the House conferees, including Mr. WIDNALL and his colleagues on the minority side, worked hard and effectively on the legislation, too. As the ranking member of the Housing Subcommittee, I am delighted to join in recommending this conference report to the House and urge its adoption.

One of the most troublesome problems we confronted in the conference had to do with a Senate amendment dealing with public housing. The Senate had proposed adding \$75 million to the annual subsidy for public housing to enable housing authorities with a high percentage of very low-income tenants to reduce rents to a level of 25 percent of income. The amendment was well-intentioned, because the poorest people in the projects were often required to pay the highest percentage of their income for housing—much more than welfare families in many jurisdictions could afford unless they received food stamps to enable them to eat a nearly adequate diet—and the food stamps are not yet available in every jurisdiction—these people had a "Hobson's choice" of either purchasing housing and very little else, or purchasing food and living in unimaginable slums.

It has been the policy of Congress for years that low-income tenants in public housing not be required to pay more than 20 percent of their income for shelter. But many housing authorities found it impossible to conform to this standard, particularly as more and more of their public housing families came from the lowest income levels—on welfare. Minimum rents in public housing in St. Louis and elsewhere eventually rose to a level of 50 percent or more of their total income. Even with food stamps, the welfare families in our public housing projects have found it impossible to approach a minimum standard of living for survival. Yet, despite the high rental levels which the housing authority had to impose in order to meet operating costs, the authority has been in serious financial jeopardy, heading toward bankruptcy. Finally, the authority acceded to community demands to reduce rents to the 25-percent level.

The House-passed bill had a provision in it intended to help ameliorate this problem authorizing additional subsidies to housing authorities to help meet part of their operating deficits. The Senate amendment, which went further by specifying a \$75 million added subsidy, promised much but actually provided little, for, according to the information I obtained from the Department of Housing and Urban Development, none of the funds included in that Senate provision would have helped St. Louis or any other public housing authority which had already reduced rents to a maximum of 25 percent.

In conference, we worked out new language which will benefit all housing authorities unable to meet operating costs out of rental income. But this is not an automatic grant of funds merely because an authority is in fiscal trouble. The authority must take necessary steps to upgrade management policies to assure tenant responsibility, so that

the tragic housing will be eliminated.

Mr. Speaker, I am delighted to join in recommending this conference report to the House and urge its adoption.

ADDITIONAL

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Mr. Speaker, the conference report is comprehensive and explicit on this point, and is of such importance to the future of public housing that this language deserves particular emphasis in connection with our consideration of the conference report. Therefore, I submit the appropriate paragraphs of the Statement of the managers on the part of the House, entitled "Additional Aid for Very Low-Income Tenants," as follows:

ADDITIONAL AID FOR VERY LOW-INCOME TENANTS

The Senate bill contained a provision not in the House amendment adding a new section 24 to the U.S. Housing Act of 1937 authorizing up to \$75 million per year in contracts for annual rental assistance payments to public housing agencies to cover the amount by which rental charges allocated to a unit exceed 25 percent of the tenant's income and to provide improved operating and maintenance services.

Both the Senate (sec. 208(a)) and House (sec. 210(a)) bills also contained a provision making it clear that the Secretary of HUD has authority to fix the amount of annual contributions in excess of debt service requirements of the project so long as the fixed contribution does not exceed the statutory annual maximum.

The Conference substitute retains the basic concept of section 211 of the Senate bill by generally limiting rents that may be charged public housing tenants to no more than 25 percent of their income. It provides Federal funds to cover the amount by which the appropriate rental charges exceed 25 percent of the income of the tenant and to cover the cost of adequate operating and maintenance services.

The conferees were concerned, however, that in a number of jurisdictions the benefits of limiting the rent which may be charged a tenant of public housing would not inure to those tenants receiving public welfare assistance, but would be captured by the public agencies administering the programs of assistance to these families.

The conferees realize the impracticability of attempting to provide through additional public housing subsidies the funding needed to make adequate the welfare payments provided by the various States. The conferees, therefore, have made clear that the requirement that the rents fixed by public housing agencies may not exceed one-fourth of a tenant's income shall not apply in any case in which the Secretary of HUD determines that limiting the rent of any tenant, or class of tenants, will result in a reduction in the amount of welfare assistance which would otherwise be provided to such tenant, or class of tenants, by the public agency.

The conferees are disturbed by the growing practice of stretching an inadequate welfare budget by placing in public housing increasing numbers of families who cannot pay even the operating costs of the unit they occupy. The conferees are hopeful that within the context of the welfare program, some means can be found to provide as much support for a welfare family in public housing as would be provided for that family in private housing. Accordingly, the Secretaries of HEW and HUD are requested to study the feasibility of developing a uniform policy concerning the rents which shall be paid in public housing for families whose rents come from public assistance.

The conference substitute deletes the provisions on section 211 of the Senate bill which authorized \$75 million in contracts for rental assistance payments under a new

section 24, on the basis that assistance for this purpose can be provided within the existing annual contributions framework as clarified by the bill, and transfer the \$75 million to the authorization for annual contributions contracts provided under section 10(e) of the U.S. Housing Act of 1937.

The conferees intend that the Secretary's authority to make annual contributions in excess of debt service requirements may be used, to the extent that the statutory annual maximum permits, for (1) payments to cover existing operating deficits of public housing agencies and enable them to maintain adequate operating and maintenance services and reserve funds, and (2) additional payments to make up the amount by which the proportionate share of operating and maintenance expenses attributable to a public housing tenant's dwelling unit exceeds 25 percent of the tenant's income. The additional payments which are contemplated in clause (2) above may not be made with respect to a dwelling unit unless the rent paid for the unit is one-fourth of the tenant's income and such payments shall not be provided to make up any reduction in the amount of welfare assistance which is provided to a tenant.

The committee is deeply concerned over cases of lax management in many public housing projects which have led to high operating costs, deterioration of property, and an intolerable environment for the families who live there. Among the reasons given to the committee to demonstrate the need for additional subsidies for existing housing projects, a sharp increase in vandalism was frequently mentioned together with a sharp increase in crime which has driven many occupants out of the projects. Much of the blame for these conditions lies with project managers and local government officials. Too frequently individual projects have filled up with problem families to the exclusion of others with resulting vacancy rates which have caused local budget deficits.

The low-rent public housing program has a fundamental role to play in meeting the needs of low income families and a special importance in making possible urban renewal and other programs which result in displacement. It would be disastrous if the small but growing number of cases of mismanagement undercut the program by giving rise to public reaction against them and by driving out responsible families of low income. HUD should undertake promptly a review of its own local management guides with a view toward tightening them where necessary. At the same time it should make its own inspection and review of local practices to assure that project managers know the standards expected of them and fully enforce their own regulations. Project managers who do not enforce these standards are not doing the job expected of them by the Congress.

The conferees wish to make it clear that the benefits of subsidized public housing, including those provided by this section, cannot be achieved without tenant responsibility, including responsibility for the protection and care of property. Irresponsible tenant behavior jeopardizes the future of this program and cannot be tolerated.

The conferees do not intend that all tenants in public housing should pay 25 percent of income for rent. Prior to the enactment of the Housing Act of 1959, giving local authorities autonomy over this and other tenant relationships, Federal law set as a rule that rents in public housing should be no more than one-fifth of income. Regrettably, upward pressures on local authority costs have forced cities to raise rents. The Congress has on several occasions provided special additional payments to maintain the low-income character of public housing projects to meet the basic financial needs of local authorities

through provisions such as the supplementary \$10 per month provided for the elderly and handicapped and for families of very income and for large families. The conferees wish to make it clear that nothing in this or any other section of this bill is intended as a substitute for such existing authorized contributions. The additional \$75 million authorized by section 211 of the Senate bill is being provided as additional annual contributions contract authorization specifically for the payments contemplated above.

Mr. ANDERSON of California. Mr. Speaker, I rise in support of the conference report on the Housing and Urban Development Act of 1969. I commend the gentlemen of both Houses for their foresight by including insurance for losses from water-caused mudslides in the flood insurance program.

Mudslides, resulting from accumulations of water on or under the ground, have been particularly distressing to residents of California. The damages caused by mudslides have been great—creating personal hardships and economic distress to the victims of this unforeseen disaster.

Many factors have made it uneconomical for the private insurance industry alone to make flood insurance available on reasonable terms and conditions to those in need of such protection.

Under this act, the Federal Government, in cooperation with the private insurance industry, will provide a program of pooling risks, minimizing costs and distributing burdens equitably among those who will be protected by flood insurance and the general public.

I have long felt that the need for this program exists. With the lessons learned from the flood insurance program, I hope that the Congress would see fit to extend the program to include earthquake insurance, such as I have proposed in H.R. 14781.

Again, I commend the gentlemen of both Houses for recognizing the need of this program and for taking swift action in aiding in the alleviation of a portion of the distress caused by floods and mudslides.

Mr. RYAN. Mr. Speaker, if I may, I have several comments on the conference report on S. 2864, the Housing and Urban Development Act of 1969.

Included in the report is the amendment offered by Senator BROOKS, which provides public housing to tenants of very low income who would otherwise not be able to afford it.

Seventy-five million a year is authorized for annual rental assistance payments made by the Secretary to make up the difference between the tenant's rent and the amount of money necessary to operate the project—including better operating and maintenance services.

Unfortunately, the conferees did not include my amendment, which was adopted on October 22, 1969, when the bill was before the House to lower from 25 percent to 20 percent the part of the tenant's income that is spent for rent in the section 236 program and in the rent supplement program.

The section 235 program allows the owner of a private home to pay only 20 percent of his income, and he also receives a tax deduction on the interest payments he makes.

But the section 236 renter not only receives no tax benefit, but also he is forced to pay 25 percent of his income.

The same situation applies to the rent supplement program. Rents are high, and large families have to pay rents they cannot afford. My amendment would have lowered the part of the person's income to be paid from 25 percent to 20 percent.

It is inequitable to require city dwellers who rent their apartments under the section 236 program or the rent supplement program to pay more than they can afford. Like the section 235 homeowners, they are affected by the high cost of living.

I regret that the conference committee did not see fit to include this in their package. Unfortunately, the problem still exists. And sooner or later the Congress will have to correct it.

Mr. PATMAN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days during which to extend their remarks on the conference report on S. 2864.

The SPEAKER pro tempore (Mr. DAVIS of Georgia). Is there objection to the request of the gentleman from Texas?

There was no objection.

ECONOMIC OPPORTUNITY ACT AMENDMENTS OF 1969

Mr. PERKINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12321) to provide for the continuation of programs authorized under the Economic Opportunity Act of 1964, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky.

The motion was agreed to.

The SPEAKER. The Chair designates the gentleman from New York (Mr. ROONEY) as Chairman of the Committee of the Whole, and requests that the gentleman from Illinois (Mr. ROSTENKOWSKI) temporarily assume the chair.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12321, with Mr. ROSTENKOWSKI (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN pro tempore. Under the rule, the gentleman from Kentucky (Mr. PERKINS) will be recognized for 1½ hours, and the gentleman from Ohio (Mr. AYRES) will be recognized for 1½ hours.

The Chairman recognizes the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I yield myself 15 minutes.

Within the last few hours, opponents of H.R. 12321, the Economic Opportunity Amendments of 1969, have produced a second version of their substitute bill.

I might as well make it clear from the start: This second version is as odious as the first.

Neither can be accepted by those of us who believe that the effort upon which we embarked in 1964 is worthwhile.

Both versions strike at the heart of the economic opportunity programs. Both are calculated to destroy the concept of community action—the most creative and innovative development in American Government in our generation.

In its short life, the Office of Economic Opportunity has been the birthplace of a substantial number of programs which are now well established and accepted on both sides of the aisle of this House.

This is not to say, of course, that it has been without blemish. Twice, in 1966 and 1967, the Committee on Education and Labor and the Congress itself acted to rectify faults that became apparent as the new machinery settled into its work.

It had been my hope that, much earlier in the year, we could lay before this House a bill to extend the basic legislation, and to provide for such constructive amendments as were necessary to insure the orderly operation of the OEO programs.

But, Mr. Chairman, events have rendered that procedure both impossible and useless.

Today we are obliged to concentrate our efforts not so much on perfecting the operation of OEO, as simply on saving its life.

For there is no blinking at the fact that in carrying out the directives given to it by Congress, the Office of Economic Opportunity has made enemies. That is one measure of its success.

Those enemies have a goal toward which they have pushed since the day OEO's potential was first recognized. That goal has been and is the complete destruction of the agency and its major programs.

I do not say that it is the goal of those who support the substitute measure to be put before us. But I would caution my colleagues to look carefully at the probable consequences of a successful effort to pass the substitute. I place my confidence in the hundreds of community leaders across this country who have indicated their belief in the strongest possible terms that the substitute spells disaster for their local efforts.

If this effort to substitute succeeds, Members of this House may just as well say goodbye to a coordinated national effort to better the economic lot of the poor. We shall not have to waste more breath in talking about "community action" or "maximum feasible participation of the poor." We shall not have to say any more about "local determination" or "local initiative."

A vote for this substitute will have said it all. And, the Congress will have turned its back on the most innovative, con-

structive approach taken to date toward solution of the problems of the poor.

Five years is but a little time for an undertaking so broad. The remarkable thing is not that the goals we established are yet unreached. The marvel is that OEO has made any discernible progress at all—and it has certainly done that.

Let us look briefly at the record of accomplishment over the past 5 years.

OEO, in the first year of its existence was the initiator of the Headstart program. That program has now served more than 3.3 million of the country's neediest children, and has provided new employment and training opportunities for over 100,000 people. It is accepted everywhere as a great step forward in the handling of the problems of child development.

OEO was also the initiator of the legal services program. Under that program, nearly 2,000 lawyers are now providing legal assistance to over 800,000 poor people a year.

OEO also developed the Upward Bound program. That program has enabled 50,000 young men and women to prepare themselves to enter college—young men and women for whom college would not otherwise have been possible.

OEO began the Foster Grandparents program, under which 3,000 of the elderly poor have been given opportunities to earn money by helping institutionalized children.

OEO also developed comprehensive health centers. Today 49 of these centers are bringing comprehensive medical care to 300,000 poor.

OEO's programs for American Indians have begun to move us away from the patronizing paternalism which has so long characterized the Federal relationships with the Indian tribes.

OEO has funded some 2,800 neighborhood service centers. These centers bring needed social services, or reliable information on where to get them, to some 3,500,000 low-income persons.

And, OEO's income maintenance experiments, universally regarded as representing the best of experimentation in handling the problems of poverty, were the forerunner of President Nixon's proposals in the welfare area.

In the manpower area, as well, great strides have been made in the 5 years of the poverty program.

Two and one quarter million youths from low-income families have been enrolled in the Neighborhood Youth Corps.

Private industry has received support to train nearly 270,444 hard-core unemployed or underemployed adults in the JOBS program.

Approximately 70,000 people are enrolled in comprehensive employment programs.

Nearly 37,000 older persons from severely distressed rural areas have obtained jobs and training through Operation Mainstream.

And, 10,000 poor have found opportunities for advancement in the New Careers program.

Despite this record, some in this House would kill OEO outright, and have the courage to say so. Others would like to

states, and they have struggled hard in the past few years to raise grapes in difficult climates and earn consumer respect for their local product. It takes 10 to 12 years before most farm wineries begin turning a profit and most are supported by family jobs outside the farm.

These administration measures will decrease U.S. competitiveness in the world market, strongly favor large producers over small (eliminating Mom and Pop operations) and make table wine

gives both sides of the abortion issue common cause to enact protective health laws ["2 Tragedies Raise Doubts About Suitland Clinic," front page, Aug. 13]. The article made the public aware that even if abortions are legal, lack of regulation could turn Maryland's "Main Streets" into "back alleys."

JIM KOLB
Rockville

The writer is Susanne Logan's attorney in her suit against Hillview.

The Turnaround at HUD

Gwen Ifill's coverage of a congressional hearing on federal surplus property disposition ["Plan to Aid Homeless Is Lagging," news story, July 20] was more mystifying than illuminating. Neither comments nor facts are placed in an appropriate context, giving the impression that the federal government is cutting funding for homeless programs and lagging seriously in fulfilling its responsibilities in making surplus federal property available to providers for the homeless. And to cap it all, the director of a charitable organization is the "expert" who "knows" what the government's intentions are. I wonder why no one from the Department of Housing and Urban Development was asked?

We in the Bush administration asked for \$819.1 million for McKinney Act homeless programs in its 1991 budget, 72 percent above 1989 funding levels. HUD's McKinney funding has jumped 148 percent. Other programs targeted to the homeless bring the total commitment to close to a billion dollars, and that is on top of other housing, health and social service initiatives. President Bush and I have made ending the tragedy of

homelessness a major goal of this administration.

According to the General Accounting Office, not only have programs been expanded and improved at HUD and throughout the administration, but interagency coordination has vastly improved the federal government's ability to address the multiple needs of the homeless in a comprehensive fashion. The GAO just completed a report on the Interagency Council on the Homeless, which I chair. It was a follow-up to a GAO report on council activities under the last administration. The Post gave extensive coverage to that original report, when it seemed the GAO had not one good thing to say. Now, under the Bush administration, the GAO evaluation of the council notes that not only has it become effective in meeting its congressional mandate, but that essentially the same state officials and assistance providers the GAO had surveyed for its last report were now basically satisfied with council services. Quite a turnaround in one year!

JACK KEMP

Secretary of Housing and Urban Development
Washington

Washington Post 8/19/90

coverage, which to be race- more descrip- That is m- it is reinfor- days ago ind- al of its cov- nately, is of based solely the District' overwhelming 2 million su- Virginians an- up the bulk- and who an- were not sol-

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4/11/91

George F. Will

Mario Cuomo: Passionately Out of Style

ALBANY—Mario Cuomo, who has always had both the mournful countenance of a beaghe and the serrating bite of a Doberman, is feeling frisky but not friendly. His famous fluency, always the product of genuine passions, is the primary reason many Democrats want him to run for president. But the nature of his passions today may preclude that.

He is a man emphatically, and with a kind of grim exuberance, out of emotional synch with the country. For now, he believes the country's emotional high from the war—a high he seems to find as disturbing as the war—is perishable, and indeed is perishing as he speaks.

"You," says Cuomo, master of the antecedent-less pronoun, "are great killers in the desert. You believe in the death penalty." Perhaps he means the president, or the current national consensus. But there is no ambiguity about whom he is talking about when, in a tone of mingled wonder and disgust, he notes that the president even appeared on tape during the telecast of the NCAA basketball championship, talking about Desert Storm. "He can't stop talking about it!"

Cuomo says, facetiously but acridly, that some

politician soon "will wear epaulets and a saber. There definitely will be a saber in the campaign." But, he adds, Democrats are not really vulnerable to the branding of military symbols. Is, he asks, the crucial criterion a willingness to wage war? Fine. "Democrats were good at that. Roosevelt was no shirker. Truman dropped the bomb."

But "were," "was," and "dropped" are in the past tense. Besides, what he clearly believes, with an urgency that defies disguising—not that he shows the slightest inclination to disguise it—is that the war tapped a dark stivism in America.

We are "good at killing," even, he intimates, comfortable with killing. When the president turns his attention to the domestic agenda, what leads the list? A crime bill featuring expanded uses of the death penalty.

The Democratic Party, he says, owes the country "a fight on ideas," and finding ideas better than the president's "should be easy." An administration that can find half-a-trillion dollars for the S&L cleanup but can't find relative pocket change for fighting drugs...

But before you can change the nation's mind, you must change the topic of conversation. And

Cuomo, like many other Democrats, may find that hard. Opposition to the use of force in the Persian Gulf in January is intellectually defensible, but the political chore of making that defense may be incompatible with the need to conduct a forward-focused presidential campaign.

Cuomo disagrees. He is in his third term and ninth year as governor and knows how long 18 months can be in politics. While he was speaking last week about epaulets and war, the farce in Kuwait (the emir thinking about thinking about taking mincing steps toward democracy, sort of, soon, or sometime, "God willing") was counterpoint to the tragedy unfolding in Iraq.

On the graph of national serenity, two lines may be about to cross. One is the descending line tracing the diminishing emotional returns from the victory celebrations. The other line traces the rising revulsion about the chaos, disease, starvation and death that is not really surprising, even in the aftermath of a war waged to enhance peace and stability.

To the rest of the country, the condition of Cuomo's realm, New York State, is indistinguishable from the condition of New York City, which is so far down at the heels it can hardly

aspire to seediness. Were Cuomo to be a candidate, his problem would not be that there is a Willie Horton—a richly symbolic embarrassment—in his record. Rather, his problem would be that New York City is a Willie Horton: scary.

The condition of most states is, if not scary, depressing. There has been, he says, "a double redistribution of burdens and wealth." Tax cuts benefiting the affluent have, he says, coincided with cuts in federal support for social programs. These cuts now coincide with a recession, and this forces states into increased reliance on regressive sales and property taxes.

Recalling that in his first state-of-the-state message less than a decade ago he did not need to deal with AIDS or the homeless, he says, "We must share our wealth in ways we have been reluctant to do."

All this is at least arguable. But before it can be argued, the country must change the course of its current conversation. Is Cuomo fluent enough to do that? Probably not. But on the 500th anniversary of Columbus's voyage, he might enjoy being the first Italian American to contest for the job of setting the nation's public agenda.

Jack Kemp

Democrats' Double Talk on Affordable Housing

"They cling to programs that transfer income, not assets, to the poor."

While the Democratic Party acknowledges President Bush's brilliant victory over Saddam Hussein, it is also trying desperately to claim that his administration lacks a domestic agenda. Democratic National Chairman Ron Brown said recently that the administration has "absolutely no program at all" for housing and other domestic concerns. One newspaper reported that Democratic Party aides are looking forward to a period of "Bush-bashing" on domestic policies, including housing. A recent vote in Congress, however, proves that it is the Democratic Party that is intellectually bankrupt when it comes to meeting the pressing domestic needs of our nation.

Less than one year ago, Congress overwhelmingly passed the National Affordable Housing Act. One leading senator said that "it is time for us to act on this issue right now. We have been going now for years and years and years without an adequate response to the housing needs of this country." Another acknowledged Senate leader on housing policy said the programs authorized by the new bill represented the "best thinking" on the issue, and would "trigger a tremendous commitment... to address this pressing national need." A top Senate liberal said that in passing the act, "we begin to chart a new course in housing policy—one that is long overdue.... We have a housing crisis in America, and it is about time that Washington, working with states, local governments, the private sector and nonprofit organizations began to solve it."

President Bush signed the National Affordable Housing Act in November 1990, saying it would give "poor people... control over their own lives and access to property and jobs, so that all Americans can live a life of dignity, responsibility and economic opportunity." The Department of Housing and Urban Development and the Office of Management and Budget worked at a record pace to get the regulations needed to implement new programs like HOPE, which provides opportunities for low-income residents of public housing

to become homeowners; HOME, a flexible block grant for states and cities to meet their affordable housing needs, and Shelter Plus Care, which ties housing for the homeless with health care and supportive services in place. The president asked Congress to pass a budget-neutral supplemental to provide funding for these new programs in 1991.

The House considered the president's request first, and the Senate recently completed its deliberations. More than 85 percent of the Democrats in each house voted "nay."

Yes, you read that right. When the president proposed to initiate a bold, innovative approach to address the nation's severest housing needs—an approach that passed Congress almost unanimously less than a year before—Democrats rejected it overwhelmingly. Why?

Their answers are particularly disturbing. Some claim that the low-income Americans are "not demanding to be empowered" through homeownership. Others say that the states, cities and nonprofit organizations that worked for years to pass this legislation are unequipped to make it work. Some housing advocates say we "shortchange the beneficiaries" of programs by shifting a modest amount of funding from public housing construction program into the HOME block grant. But HOME would help 37,000 families within 18 months, compared to only 7,000 units of public housing that would be built five years from now under current law. When public housing has more than 100,000 vacant units that now go unused by anyone except drug dealers, it is hard to justify building more.

The fact is that when they had the chance to appropriate funds for programs they had voted for in theory less than a year before, the Democratic Party rushed instead to the defense of the failed programs of the past. They cling to programs that transfer income, not assets, to the poor. Low-income families receive just enough aid to lock them in perpetual dependence and despair, but never the incentives or the property needed to achieve full



BY T. GIBSON

economic freedom. They claim, in the words of one Democratic member of Congress, that low-income people "aren't ready" for homeownership. But it is really the Democrats who are not ready to break with the old programs and the entrenched special interests and bloated bureaucracies that go with them.

The Democratic leadership in Congress excels at making rhetorical bows to the poor, but the leaders raised their voices and wielded their votes in opposition when asked to do

something real to help. They want to launch new initiatives to help thousands of low-income families achieve decent housing and homeownership when their vote means little, but when it really counts they vote to preserve programs that create only dependency and despair.

Congressional Democrats revealed that they think tomorrow is the best time to help the poor. President Bush wants to help today.

The writer is secretary of housing and urban development.

Richard Cohen

The Dagger at Nancy Reagan

And the press's betrayal of its own standards.

Those of us who are fans of Frank Sinatra (and distinctly not fans of Nancy Reagan) were shocked by Kitty Kelley's assertion that Old Blue Eyes and the former First Lady had an affair. Some of us, though, are even more shocked that much of the press, including the august New York Times, uncritically recounted Kelley's tales. After all, whatever Kelley might be, she's no unimpeachable scholar.



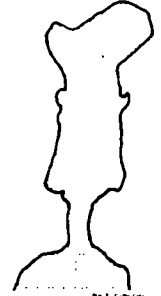
Michael Kinsley

Coverup

Regan's hair as a metaphor for the 1980s.

There is no entry on "hair" in the index to Lou Cannon's fat new book on the Reagan presidency. Nor in Reagan's own recent autobiography. So we must rely on Kitty Kelley. The index of her "Nancy Reagan: The Unauthorized Biography" contains four citations on Ronald Reagan's hair. And under "Reagan, Nancy Davis, hairdressers of," the citations go on for three lines. The key reference is on page 292: "Whoever he visited the White House

At this point a second theme started to emerge: Reagan is starting to turn gray. In May 1982 The New York Times reported that Senate majority leader Howard Baker "had noticed some gray in Mr. Reagan's hair."



BY T. GIBSON



LA Times
4/26/91

...e of Bush Son

...s (front page, April 19) report-
...sident Bush's son Neil received
...rebuke" from T. Timothy Ryan
...of the Office of Thrift Supervi-
...s conflict of interest role while
...a director of the Silverado
...avings & Loan Assn. in Denver.
...that you advise your reporter
...rebuke was more apt. Neil Bush
...given a slap on the wrist for his
...ings in cahoots with two shady
...characters who helped Silvera-
...ay to bankruptcy, while leaving
...rs with a debt of \$1.6 billion to
...depositors.
...on to Neil Bush's flagrant con-
...rest culpability, he pocketed a
...an made to him with the proviso
...dn't have to repay it if his
...in one of his real estate buddy's
...dn't pay off. In actuality that
...g more than a blatant payoff
...himself at a committee hearing
...nd like a "fishy deal." And what
...punishment for his transgres-
...rebuke that was nothing more

■ Kevin Roderick's article "State's Growth Threatens Way of Life in Rice Town" (front page, April 7) is in actuality more an editorial than reporting. Unhappily, the article is one more in a string of unsubstantiated attacks on California's rice industry.

We have informed The Times' editorial staff and several of its reporters, both

Affordable Housing

■ Jesse Jackson's column (April 9) is so absurd that I have to believe he neither wrote the article himself nor saw it before it was published.

Jackson claims that "HUD's houses often remain vacant for three yeas or more" and that "less than 1%" are used to help the homeless. The facts are a little different: the average HUD home stays vacant for only six months, and up to 10% are used to help homeless Americans. The majority of houses must be resold to maintain the financial health of the Federal Housing Administration (FHA) fund, which provides housing opportunities for millions of low and moderate-income families.

To suggest that the Bush Administration "has no plan for adequate housing" and that I "lobbied against the National Affordable Housing Act" is extremely irresponsible for a shadow senator in Congress. As Jackson must know, the Administration's hope and home initiatives form the cornerstone of the National Affordable Housing Act. Far from lobbying against it, President Bush and I urged the Democrats in Congress to fund the program this year, instead of waiting until 1992.

Unfortunately, the Democrats denied our request, opting instead to continue the failed programs of the past.

Perhaps if Jackson put as much effort into persuading his Democratic colleagues to fund President Bush's housing initiatives as he does waging *ad hominem* attacks on me, we might make some real progress in helping low-income families have access to decent, safe, affordable housing.

JACK KEMP

HUD Secretary, Washington, D.C.

tive sources, this could be readers won't continue to growers have sacrificed 1 of acres to help out w already, yet The Times w how other bigger agricu users of water have sac c) with the exception c columnists (Marc Reisner Times remains the only n in the nation to never re straight about rice grow causing us to believe th poseful intent here, and knows full well that the s to be fashioning betwee urban interests and rice cious; there is plenty of w uses in this state. The iss segments of agriculture water in drought years.

Rice growers have bee if not the only, water us governor and the Depar Resources that its indust in meeting urban and em mental water needs. We'll er, it is getting difficult to agreeable to this commiti headlines claim that the M ter District and other So water purveyors refuse t or at least they conti hook-ups.

JOHN ROBERTS, E
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The Facts About Federal Housing Programs in New England

Nearly One Million People Are At-Risk

- There are currently over 363,000 units of HUD-assisted housing in New England (excluding Farmers' Home assistance) providing homes to about 900,000 low income people.
- Admission to most HUD programs is limited to households earning less than 50% of median income or approximately \$20,000-\$25,000 per year for a family of four. The vast majority of tenant households earn much less than this. For example:
 - In project-based Section 8 units, 95% of the households earn less than \$7,500 annually, including many elderly on fixed incomes and minimum wage workers.
 - In public housing, the average households earns 17% to 30% of median income or approximately \$8,000 to \$15,000 per year for a family of four.
 - Approximately half of the households are elderly or disabled.

Where Will People Go?

- Market rents are beyond the reach of low income households. The median rent in New England states is \$570. Median rents are much higher in many suburban communities (\$700 to \$800 per month or more).
- Low income families do not earn enough to cover the cost of operating rental housing, let alone cover debt service. By the 30% affordability standard:

Households earning less than:

\$6,948 (AFDC grant, family of 3)
\$8,840 (1 minimum wage earner)
\$14,800 (fed. poverty level--HH of 4)
\$25,650 (50% median, family of 4)

Can afford:

\$174/month
\$221/month
\$370/month
\$610/month

Public and Privately Assisted Housing: A Multi-Billion Dollar Investment

- HUD has invested billions of dollars to acquire sites and develop and modernize federal public and assisted housing, creating long-term affordable units.
- Assuming a value of \$50,000 per unit, the assisted housing stock is valued at more than \$18 billion in New England. Jeopardizing this investment by eliminating subsidies to assisted housing developments is "penny wise and pound foolish."
- States and cities will have limited resources to develop replacement housing since the cost of a capital write-down to create debt free housing would range from \$24,000 to \$60,000 per unit--roughly 4 to 10 times the cost of the average annual Section 8 subsidy.

The Ticking Time Bomb: Expiring Units

- Approximately 57,000 units in "expiring use" buildings are at risk of becoming unaffordable because their owners have the option of prepaying their mortgage within the decade thereby ending the federal use restrictions. If preservation funds are eliminated, low and moderate income tenants will be at great risk of displacement.
- In addition, the vast majority of the 117,000 project-based Section 8 units will be expiring over the next five years. Unless these contracts are renewed, there is likely to be massive tenant displacement and loss of the affordable housing stock.

*Prepared by Citizens' Housing and Planning Association
16 North Street, Boston, MA 02109 • (617) 742-0820*

INVENTORY OF FEDERALLY ASSISTED HOUSING IN NEW ENGLAND

STATE	PUBLIC HOUSING	SECTION 8 MOBILE	SECTION 8 PROJECT BASED	EXPIRING USE	MEDIAN RENT	WAITING LIST ESTIMATE
Connecticut	20,636	19,901	30,066	~14,000	\$510	26,000+
Maine	17,483	7,861	6,656	3,559	\$463	8,000
Massachusetts	34,000	53,000	64,000	~27,000	\$580	122,000
New Hampshire	4,384	4,082	6,508	2,073	\$573	11,160
Rhode Island	9,676	5,061	10,882	7,409	\$560	7,508
Vermont	1,792	4,271	5,815	2,766	\$446	3,200
NEW ENGLAND	total: 87,971	total: 94,184	total: 123,935	total: 56,807	average: \$569	total: 177,868

+ total from major Connecticut cities.

IMPACT OF CUTS TO HUD IN NEW ENGLAND STATES

STATE	HOMELESS GRANT	PUBLIC HOUSING MODERNIZATION	PUBLIC HOUSING OPERATING SUBSIDIES	SECTION 8 INCREMENTAL RENTAL ASSISTANCE
Connecticut	\$11,035 (FY'95) <u>5,676</u> (House)	\$54,597 (FY'95) <u>36,890</u> (House)	\$38,797 (FY'95) <u>33,446</u> (House)	890 (FY'95) <u>0</u> (House)
Total loss:	\$5,359	\$17,707	\$ 5,351	890 section 8s
Maine	\$3,753 (FY'95) <u>1,930</u> (House)	\$8,519 (FY'95) <u>5,756</u> (House)	\$8,428 (FY'95) <u>7,265</u> (House)	153 (FY'95) <u>0</u> (House)
Total loss:	\$1,823	\$2,763	\$1,163	153 section 8s
Massachusetts	\$32,460 (FY'95) <u>16,693</u> (House)	\$110,972 (FY'95) <u>75,981</u> (House)	\$90,426 (FY'95) <u>77,954</u> (House)	1,450 (FY'95) <u>0</u> (House)
Total loss:	\$15,767	\$34,991	\$12,472	1,450 section 8s
New Hampshire	\$ 2,599 (FY'95) <u>1,336</u> (House)	\$8,062 (FY'95) <u>5,447</u> (House)	\$5,956 (FY'95) <u>5,135</u> (House)	134 (FY'95) <u>0</u> (House)
Total loss:	\$1,263	\$2,615	\$ 821	134 section 8s
Rhode Island	\$5,341 (FY'95) <u>2,746</u> (House)	\$22,745 (FY'95) <u>15,368</u> (House)	\$14,554 (FY'95) <u>12,546</u> (House)	139 (FY'95) <u>0</u> (House)
Total loss:	\$2,595	\$7,377	\$2,008	139 section 8s
Vermont	\$1,387 (FY'95) <u>713</u> (House)	\$2,070 (FY'95) <u>1,399</u> (House)	\$2,672 (FY'95) <u>2,304</u> (House)	65 (FY'95) <u>0</u> (House)
Total loss:	\$ 674	\$ 671	\$ 368	65 section 8s
NEW ENGLAND	\$56,575 (FY'95) <u>29,094</u> (House)	\$206,965 (FY'95) <u>140,841</u> (House)	\$160,833 (FY'95) <u>138,650</u> (House)	2,831 (FY'95) <u>0</u> (House)
Total loss:	\$27,481	\$66,124	\$22,183	2,831 section 8s



Citizens' Housing and Planning Association, Inc.

Fax Transmittal Sheet

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Matthew Hobbs

Clerk
Ann Houston

Executive Director
Aron Gornstein

To: Cathy

Fax Number: 202-456-5557

Date: _____ Time: _____

Number of Pages Including Transmittal Sheet: _____

From: Aaron Gornstein

Fax Number: (617) 742-3953
Telephone Number: (617) 742-0820

Comments: Thank you for calling me
back so quickly.

*Paul
call this
guy* →





Omally

President
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Jack Cooper
Paul Douglas
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Robert Kuhn, Jr.

Treasurer
Matthew Hobbs

Clerk
Ann Houston

Executive Director
Aaron Gornstein

2 call Bruce
4 call Mrs. V
4 call Ann
June 26, 1995

Mr. Bruce Reed
Deputy Assistant to the President for Domestic Policy
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. Reed:

During the last few months, housing advocates and providers from all six New England states have been working together to develop strategies to preserve and develop affordable housing despite proposed cuts in federal funding and impending changes to the U.S. Department of Housing and Urban Development. The shortage of housing, combined with high costs of rent and utilities in New England, makes our situation particularly precarious if cuts to the housing budget cause massive displacement among tenants in public and subsidized housing. **We are writing to request the President's involvement in housing issues and to request a meeting with you to discuss the future of housing in our region and our suggestions for sensible HUD reform.**

We believe that the federal government must continue to play an active role in addressing the housing and community development needs of low and moderate income people. The New England region will be disproportionately affected by cuts to the federal housing budget, due in part to the large investments which have been leveraged from public and private lenders in response to federal funds. In FY'94, the New England states received \$228.2 million for public housing development and modernization. In FY'93, New England received \$209 million in Community Development Block Grants, and \$55.9 million in HOME funding. This support from the federal government not only helps to ensure that housing is safe and accessible, but it also creates jobs and revitalizes our communities.

As the discussion on reshaping the future of HUD continues, we must ensure that the federal government adequately maintains our country's investment in the current stock of affordable housing. We need to recognize that project-based and tenant-based programs are both essential to meet the diverse needs of low and moderate income people in various geographic locations. Additionally, we need to expand opportunities for resident participation and possible homeownership options. We also need to ensure that the federal government continues to maintain the CRA program so that banks can effectively participate in affordable housing.

THIS AGENCY IS SUPPORTED BY



United Way

We are concerned about the potential consolidation of over sixty housing programs into a small number of block grants. As part of this change, the federal government must ensure that state and local government adequately fund housing programs that serve particularly vulnerable populations and that community organizations continue to have a role in affordable housing. The federal government must also enforce fair housing laws to ensure that everyone has an equal opportunity to obtain housing.

Before taking any drastic steps to change federal housing or community development policies, the federal government should carefully evaluate the economic and social impacts on residents, owners, state and local governments, and lenders. We are particularly concerned that as we attempt to address the failures that characterize a very small segment of public and subsidized housing programs, we recognize that there have been many successes in existing programs and we continue to build on these successes.

As the congressional debate on the FY'95 rescissions package and the FY'96 budget resolution progresses, we want to make sure that President Clinton understands the grave impact of severe cuts to the nation's affordable housing and community development programs. As we move into the appropriations and authorization processes, we look forward to the opportunity to discuss these issues with you further and to present our suggestions for meaningful HUD reform. Please feel free to contact Aaron Gornstein at Citizens' Housing and Planning Association (617) 742-0820. Thank you for your attention to this very critical issue.

Sincerely,

New Hampshire:

David Wood
Director
Affordable Housing Education and
Development

Chris Gallagher
Acting Director
Cheshire Housing Trust

John Hamilton
Director
Concord Area Trust for Community Housing

Alice Altman
Director
Contoocook Housing Trust

Bridget Belton-Jette
Director
Greater Nashua Housing & Development
Foundation

Ann Rugg
Director
The Housing Partnership

Linda Harvey
Director
Laconia Area Community Land Trust

Dan Reidy
Director
Manchester Area Housing Services

Peter Roche
 Director
 Manchester Neighborhood Housing Services

Eliot Berry
 Board Member
 New Hampshire Community Loan Fund

Michael LaFontaine
 Community Land Trust Project Director
 New Hampshire Community Loan Fund

Chris Owre
 Director
 Northern Community Housing Corporation

Wally Roberts
 Director
 Twin Pines Housing Trust

David Knapp
 Director
 Twin Rivers Community Corporation

Connecticut:

Jeffrey Freiser
 Executive Director
 Connecticut Housing Coalition

Richard L. Tenenbaum
 Co-Director of Housing Task Force
 Connecticut Legal Services

Maine:

Joel Rekas
 Executive Director
 Maine Coalition for the Homeless

Elaine Sederlund
 Executive Director
 Cumberland County Affordable Housing
 Venture

Massachusetts:

Pam Bender
 Executive Director
 Massachusetts Tenants Organization

Barbara Dunham
 Executive Director
 Fenway Community Development
 Corporation

Marc Draisen
 President and CEO
 Massachusetts Association of Community
 Development Corporations

Aaron Gornstein
 Executive Director
 Citizens' Housing and Planning Association

Linda Johnson
 Housing Policy Coordinator
 Massachusetts Coalition for the Homeless

Vincent F. O'Donnell
 Director of Development
 Community Economic Development
 Assistance Corporation

Rhode Island:

Brenda J. Clement
Executive Director
Housing Network of Rhode Island

Richard H. Godfrey, Jr.
Executive Director
Rhode Island Housing and Mortgage Finance
Corporation

Tanja Kubas-Meyer
Executive Director
Rhode Island Coalition for the Homeless

Vermont:

John E. Davis
Housing Director
Community and Economic Development
Office, City of Burlington

Polly Nichol
Project Development Director
Vermont Housing and Conservation Board

cc. Susan Brophy
Deputy Assistant to the President for Legislative Affairs



JERRY JONES
LEGISLATIVE REPRESENTATIVE



ACORN

ASSOCIATION OF COMMUNITY ORGANIZATIONS FOR REFORM NOW
739 8TH STREET, S.E.
WASHINGTON, D.C. 20003
(202) 547-2500
FAX: (202) 546-2483

July 14, 1995

Molly B. Brostrom
Senior Policy Analyst
Domestic Policy Council
The White House
Washington, D.C. 20500

Dear Ms. Brostrom:

It was good to meet you yesterday. I hope our discussion on housing issues will continue in the weeks ahead.

As promised, I've enclosed some materials which describe ACORN's work. I think Mack McLarty and Carol Rasco can attest to ACORN's long-standing and productive relationship with Bill Clinton, going back to his years as attorney general and then governor of Arkansas. We remain committed to help this Administration succeed in its domestic agenda.

Please don't hesitate to call if there's anything I can do for you.

Sincerely,

Jerry Jones
Legislative Director

enclosure

Association of Community Organizations for Reform Now

- Organizing & Support Center: 1024 Elysian Fields Avenue, New Orleans, Louisiana 70117 • 504-943-0044 • FAX 504-944-7078
- Home Office: 523 West 15th Street, Little Rock, Arkansas 72202 • 501-376-7151
- National Office (DC): 739 8th Street S.E., Washington, D.C. 20003 • 202-547-2500 • FAX 202-546-2483
- National Office (NY): 845 Flatbush Avenue, Brooklyn, New York 11226 • 718-693-6700 • FAX 718-693-3367

"An unusual political force that began in Arkansas is netting the economic and political establishment in a widening swath. It is the Association of Community Organizations for Reform Now, popularly known as ACORN."

The New York Times

"ACORN is short on radical rhetoric and long on pavement pounding in local communities. Members spent years attacking bread and butter issues such as utility rates and sales tax on medicine, before sallying forth into presidential politics."

The Washington Post

"ACORN is a network of neighborhood groups whose black, white and Latino members are not well off; they are dishwashers, blacksmiths, carpenters, unemployed electricians, factory workers, and small businessmen. It is populist in tone, drawing on the experiences of the Southern Tenant Farmers Union during the 1930s depression and those of the National Welfare Rights Organization more recently. Both groups sought to win more political power for the poor."

The Economist

"Since its inception in 1970 in Little Rock, Arkansas, the collection of neighborhood groups has fought most of its battles with power companies, city halls, and state houses. But while these struggles for lower utility rates and better service are ACORN's lifeblood, the ultimate goal has always been a redistribution of power in American society."

Dallas Morning News

NATIONAL OFFICES

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117 W. Harrison St., Chicago, IL 60605
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ORGANIZING AND SUPPORT CENTER

1024 Elysian Fields Ave., New Orleans, LA 70117
(504) 943-0044, FAX (504) 944-7078

HOME OFFICE

523 W. 15th St., Little Rock, AR 72202
(501) 376-7151, FAX (501) 376-2423

What has ACORN done?

HOUSING

Created or upgraded homesteading programs that turn over vacant houses to low-income residents in Philadelphia, Detroit, Brooklyn, Bridgeport, Chicago, Phoenix, St. Louis, and Little Rock. Won passage of a national homesteading bill. Forced HUD to reform policies and procedures to make it easier for low and moderate-income people to purchase HUD-owned properties.

COMMUNITY REINVESTMENT

Negotiated landmark agreements with banks in St. Louis, Baton Rouge, Philadelphia, Phoenix, Denver, Little Rock, New Orleans, Chicago, Minneapolis-St. Paul, Brooklyn, Des Moines, Dallas and Washington, D.C., making over a billion dollars available for loans in low-income neighborhoods. Blocked the gutting of the federal Community Reinvestment Act. Forced Fannie Mae to establish a precedent-setting program to buy community reinvestment mortgages.

FINANCIAL REFORM

Spearheaded organization of the Financial Democracy Campaign, a community, farm, labor and church alliance fighting for a fair solution to the S&L and banking crises. Convinced Congress to attach innovative provisions to the Savings and Loan bailout which require the S&L industry to dramatically increase lending for low and moderate income housing and which makes thousands of foreclosed properties available to low-income homebuyers.

SCHOOLS

Won establishment of alternative public schools in ACORN neighborhoods in Brooklyn and Queens. Improved school facilities and governance in Chicago, New York and Bridgeport. Stopped school closings in Des Moines, won free transportation to schools in Little Rock, upgraded school safety in New Orleans and Detroit.

JOBS

Secured "First Source" ordinances or agreements requiring developers to hire low-income unemployed residents in Miami, Washington, D.C., Bridgeport, Pittsburgh, Dallas, St. Louis, Little Rock and Des Moines.

VOTER PARTICIPATION

Registered over 500,000 new voters since 1980. Struck down barriers to voter registration in Bridgeport, Pine Bluff, Little Rock, Atlanta, Grand Rapids and Pittsburgh. Replaced at-large City Council elections with a district election system in Pine Bluff and Pittsburgh. Recruited and trained ACORN members to run for public office in Little Rock, Pine Bluff, Philadelphia, Bridgeport, New York, Chicago, Tulsa, St. Louis and Des Moines.

TOXICS

Forced companies to clean up, move, or cancel plans for toxic chemical plants, dumps or discharges in Memphis, Ft. Worth, Philadelphia, Des Moines, New Orleans, Dallas, Minneapolis, Jacksonville, St. Paul and Chicago.

HEALTH

Improved hospital care in Little Rock, Dallas and New York. Expanded childhood immunization in New Orleans. Organized parents of lead poisoning victims to pressure local governments for improved screening and treatment in New York, Detroit, Chicago, and Washington, D.C.

NEIGHBORHOOD SAFETY

Forced police and city officials to respond more effectively to rapes in low-income neighborhoods and to establish rape-prevention programs in St. Louis, Boston, Chicago, New Orleans and Des Moines. Won programs to fight drugs, ranging from more police foot patrols to better recreation facilities in New Orleans, Philadelphia, St. Louis and Detroit.

**Who is on the streets,
in the neighborhoods,
in the workplaces
and on the airwaves
organizing and building power
for low and moderate-income
Americans?**



ACORN stands alone in its commitment to organizing and winning power for low and moderate-income people.

In the 1990s, the concerns of low and moderate-income people are not on the nation's agenda. Under attack from the right, ignored by the center and many progressives, the poor grow in numbers every day. Yet ACORN stands virtually alone in its dedication to organizing the poor and powerless—a dedication as strong today as it was in 1970 when a group of Arkansas welfare mothers formed ACORN's first membership.

ACORN is the largest low and moderate-income membership organization in the country.

ACORN has grown steadily to a membership of over 75,000 African American, white and Latino families. They are active members, not just contributors or newsletter readers. Each belongs to one of more than 500 neighborhood chapters working on local, citywide, and national campaigns.

ACORN organizes the unorganized.

Although no stranger to coalition politics, ACORN's first priority is building organization in low-income communities. Because ACORN believes that social change comes from the bottom up, organizers are on the streets every day, knocking on doors and recruiting new members. Major campaigns, whether around housing, or jobs, or voter registration, are designed to reach the unorganized majority of low and moderate-income people—the key constituency that must be mobilized for a progressive movement for social change in this country to succeed.



ACORN campaigns address issues that are central to the lives of its members, to the viability of low and moderate-income neighborhoods, and to the future of the country.

A typical month might find ACORN neighborhood groups in New York and Chicago campaigning to reform city schools, groups in New Orleans and Boston fighting the high incidence of rapes in their communities, and groups in Detroit and Washington, D.C. demanding testing and treatment for lead poisoning.

At the same time, ACORN groups throughout the country work in unison on national issues. In recent years, ACORN has waged precedent-setting campaigns to win housing for the poor, jobs for the unemployed, and capital investment for low and moderate-income communities.

ACORN is a direct action organization.

ACORN employs the broadest possible range of tactics. It lobbies, petitions, and files lawsuits. But ACORN's long history proves that confronting decision-makers face-to-face brings the best results. When the situation demands it, ACORN members will march, picket, sit-in, squat, and sometimes go to jail.

ACORN views political action as an essential part of its strategy for empowering poor people.

When most community organizations still believed in sitting on the sidelines on election day, ACORN was leading the way in voter registration, education, and mobilization. For nearly 20 years, ACORN members have used the electoral arena to press their issues and to put responsive candidates in office. Increasingly, ACORN members are running for office themselves.

ACORN's low and moderate-income membership runs the organization.

ACORN members—not staff or lawyers or politicians—speak for and lead the organization. Many are new to community activism when they join but leadership development is at the core of ACORN's organizing process. On-the-job and in formal training programs, ACORN members develop the skills and confidence to chart the organization's course. From the neighborhood group level to the national board, ACORN leaders call the shots.

ACORN's membership pays for the organization.

Knowing that a poor people's organization can't rely on outside support, ACORN has always been committed to the principle of financial self-sufficiency. The organization is now 80% self-sufficient, deriving its funds primarily from members' dues, raffles, ad sales, dinners, and other events.



ACORN has been, and will continue to be the most innovative community organization in the country.

From its inception, ACORN has constantly challenged the traditional notions of what a community organization is. It pioneered multi-racial and multi-issue organizing. It introduced strategies to contend with corporate targets, led the way in electoral organizing, and advanced direct action tactics like squatting. In recent years, ACORN has taken its path breaking ways in new directions:

■ **Union Organizing**

To reach the unorganized not only in the neighborhoods but in the workplace, ACORN helped found the United Labor Unions in 1979, which succeeded in organizing low wage service workers most unions had ignored. Now affiliated with the Service Employees International Union, AFL-CIO, the Locals in Louisiana, Illinois, Arkansas, and Texas have over 20,000 members working in schools, nursing homes, hospitals, home health care agencies, and other services.

■ **Radio and TV**

Understanding the power and potential of the electronic media, ACORN members are helping to build a progressive radio and television network. FM radio stations are on the air in Dallas and Little Rock, the first television station is operating in Salinas/Watsonville, California, and a second is under construction in Atlanta. Additional radio and TV applications are pending.

■ **Housing Development**

To provide affordable housing and revitalize deteriorating neighborhoods, the ACORN Housing Corporations in Arizona, Arkansas, Illinois, Louisiana, New York, Pennsylvania, Texas, and Washington, D.C. acquire and rehabilitate abandoned buildings. Low and moderate income families who contribute sweat equity buy the houses at below market prices and the land remains in the ACORN Community Land Association to ensure that it will always be used for affordable housing.



Photos by Rick Reinhard, Pober, Fox (Impact Visuals), Madeleine Adamson

The ACORN action on Newt Gingrich made the national news on all three networks, was the lead story on CBS radio and front-page in Philadelphia, Atlanta and elsewhere across the country. Even Jay Leno quipped: "Now he knows what it's like to have someone take his lunch away."

Conservative newspapers and talk show hosts, including Rush Limbaugh, jumped on the story to launch a barrage of attacks. *The Washington Times* ran an editorial titled "Federally funded Newt-Bashing?" alleging that the protest was supported by "Bill Clinton's pet program, AmeriCorps." The ACORN Housing Corporation has AmeriCorps volunteers working in its loan counseling program to help low-income families become homeowners but none of the volunteers work for ACORN and none attended the Washington demonstration.

Two days later, the paper kept up the refrain despite an emphatic rebuttal from AmeriCorp's director. This time the editorial was titled "Squash ACORN."

The Wall Street Journal picked up on the *Washington Times'* allegations in their own editorial, which set the stage by repeating Gingrich's questions: "Why weren't they at work? Who are they? Who paid them?"

"It turns out," the Journal said, *"that the protest was organized by the left-wing activist group ACORN, a frequent recipient of federal and state grants....We may never know if federally funded 'volunteers' helped ruin meetings for 2,000 county officials, but we hope Congress plans some oversight hearings on the groups involved in Mr. Clinton's service program."*

The most rabid editorial so far appeared in the *Arkansas Democrat Gazette*. Titled "Invasion of the pesky ACORNs," the diatribe claims: "ACORN never met a government give-away program that it didn't like. Members spend most of their time dreaming up new ways to take from the nation's productive citizens to support the non-productive. Since many, if not most, ACORN members are unemployed, they have nothing better to do than travel in chartered buses to take away other people's freedom of speech...In this country, people should have the right to demonstrate, but those who disrupt meetings and interfere with the constitutional rights of others should be tossed into jail like the thugs they are...ACORN was formed in Arkansas some 25 years ago. It was designed then, and now, to get more for the slothful and the disadvantaged from the compassionate 'gimme' society."

MEJ MAILING

THE ACORN REPORT

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SPECIAL EDITION THE ACORN REPORT

News from the National Office of the Association of Community Organizations for Reform Now • Mar. 1995

ACORN leads fight against budget cuts 500 disrupt lunch, chew on Gingrich

BY JOHN DIAMOND
Associated Press Writer

WASHINGTON — A ballroom full of county officials was awaiting Newt Gingrich's arrival Monday when the kitchen doors burst open to reveal not dessert but about 500 protesters waving empty lunch trays and chanting, "No more cuts."

The demonstrators, many carrying small children, dodged waiters as they took over the head table and jammed the aisles, protesting reductions in the school lunch program. In doing so, they prompted cancellation of the House speaker's speech.

"Don't take the food out of the children's mouths," said Maxine Nelson of Pine Bluff, who, like the others, belongs to the Association of Community Organizations for Reform Now, or ACORN.

Faced with the raucous protest, luncheon organizers from the National Association of Counties abandoned plans for speeches by Gingrich and others before the 2,000 county officials. The demonstrators cheered the decision.

District police officials said no one was arrested.

In addition to eliminating proposed cuts in school lunches, the protesters want a minimum wage increase, a national voter registration drive and funding for subsidized housing.

Last week, House Republicans advanced a proposal to replace the federally mandated school lunch program with a state-administered system funded by federal block grants. Opponents said it could lead to cuts in free and subsidized school lunches to the poor.



Protest Against Gingrich and Plans to Cut School Lunch Program

Nearly 500 demonstrators marched into a ballroom in Washington yesterday where county officials were waiting to hear a speech by Newt Gingrich. Waving empty lunch trays and shouting slogans

against Republican plans to alter the school lunch program, the protestors from the Association of Community Organizations for Reform Now forced the cancellation of Mr. Gingrich's speech.

The legislation would increase spending by 4.5 percent per year — up from \$6.68 billion next year to \$7.85 billion in 2000 — but opponents say that would not keep pace with demand coupled with inflation.

The demonstrators at the Washington Hilton Hotel were "just tragically misinformed," Gingrich later told reporters, questioning their motives and criticizing their behavior. "Why weren't they at work? Who are they? Who paid them?"

"They broke into the meeting and had bullhorns, and their idea of a dialogue was to chant with bullhorns," Gingrich said. "I thought that was an interesting commentary on those who would extort money out of the taxpayer."

Although Gingrich was the protest's target, some demonstrators directed barbs at coun-

ty officials, shouting through bullhorns that the cost of one of their baked chicken meals probably would finance a week of school lunches.

The county officials fumed. One NACO official said their luncheon leftovers were going to Washington homeless shelters.

"This only makes me less supportive of their cause," said Shirley Greene, county commission chairman from Latah County, Idaho. "It's about time people figured out they have to do something for themselves rather than have their hand out to the government."

Added Jack Olsen of Oakland County, Mich., "I think they've probably not won many friends today."

The protesters left after 40 minutes and boarded the chartered buses that had brought them to the hotel.

reprinted from The New York Times

reprinted from the Arkansas Democrat Gazette

Five arrested as ACORN disrupts CRA hearing

The action described in the wire service stories reprinted here was part of ACORN's annual Legislative Conference which brings leaders from across the country to Washington, DC for five days of training and lobbying.

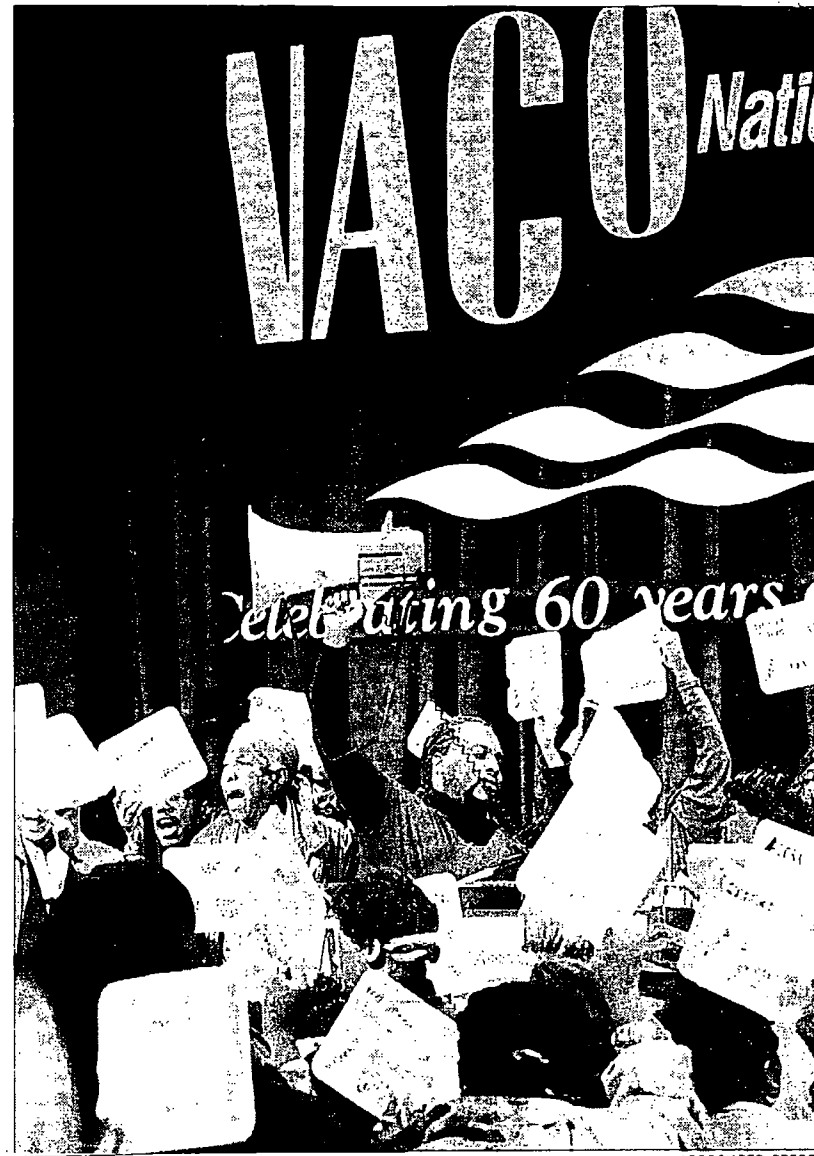
In their lobbying visits with members of Congress, ACORN members stressed their opposition to limits on school lunch funding and to the \$7 billion of proposed cuts in housing programs. They argued for an increase in the minimum wage, against the repeal of the Motor Voter law, and against attempts to weaken the Community Reinvestment Act (CRA).

Hitting the hill to save CRA

On the last day of the conference, ACORN delegates rose at 5 am to be first in line for a House Banking Committee hearing on CRA reform. They outsmarted the bank lobbyists who hire bicycle messengers to wait in line for them and when the hearing room opened at 9:30, virtually none of the usual lobbyists got in.

Demanding that they be allowed to testify, ACORN members began chanting "Save CRA" and "No Safe Harbors" referring to a proposal that would exempt almost 90 percent of banks from CRA challenges. Within minutes, the Capitol Police dragged five leaders from the room, handcuffed them and took them to jail.

The ACORN leaders were not released until late that night after Congresswoman Maxine Waters went down to the jail to talk to the authorities. Calls from Congressman Joe Kennedy and Senator Ted Kennedy also helped end what was an exceptionally long stay in jail for a non-violent protest of this type.



Protesters against cuts in the school lunch program demonstrate at the National Association of Counties luncheon in Washington.

Photo this page and article on page 3 reprinted from the Baltimore Sun.

ACORN invites Gingrich to visit low-income neighborhoods

Unable to meet face to face with Newt Gingrich at the National Association of Counties luncheon, ACORN issued an invitation the next day to the Speaker to visit low-income neighborhoods and listen to the people who will be hit hardest by his policies.

"We invite Speaker Gingrich to tour our neighborhoods and see what impact his Contract with America will have," announced ACORN President Maude Hurd. "Cuts to neighborhood services, policing, youth programs, jobs programs, housing and school lunches will destroy our families and our communities.

"The Speaker is out of touch," she said, "and needs

to educate himself by coming out to our neighborhoods."

"Some people may have found our tactics yesterday uncomfortable," added Pine Bluff, Arkansas member Maxine Nelson, "but we can not continue to be the scapegoat or face the cutting block of the radical right. We are hard working people who care about holding our communities together and, for now, that means fighting back against cuts in programs that protect our neighborhoods, schools and families. There is just no other way to communicate with many of these Congresspeople."

ACORN had tried over the previous weeks to schedule a meeting with Gingrich but was turned down.

School lunch protest cancels Gingrich speech

Speaker calls action 'bizarre'

Cox News Service

WASHINGTON — House Speaker Newt Gingrich was forced to cancel a luncheon appearance before 2,500 county executives yesterday after hundreds of protesters burst through the doors of a hotel ballroom to decry changes in the school lunch program.

The well-orchestrated demonstration by ACORN, a grass-roots group that works for the poor and lower-wage workers, was the first major act of civil disobedience prompted by the Republicans' "Contract with America," and some observers said more could come.

Republicans "talk about the angry white men, but the whole dog-gone universe is angry because the haves are kicking the have-nots in the butt," said Paul Mayhue, a county commissioner from Grand Rapids, Mich.

In an interview on Capitol Hill, Mr. Gingrich said the demonstrators were "tragically misinformed" and called the protest "a bizarre way to try to blackmail the taxpayers by emotion and noise."

Mr. Gingrich said the GOP has increased money for the lunch program, but opponents argue that the increases are less than originally budgeted and that some states could run out of money.

Mr. Gingrich missed the protest event because his airplane from

Georgia arrived late at Washington National Airport.

The speaker was scheduled to address the National Association of Counties at 12:30 p.m. The protesters, who gathered out of sight behind of the hotel, didn't hear the announcement that he would be a half-hour late.

At the original speaking time, they suddenly filed through the lobby, overwhelmed a hotel security team barring the ballroom doors, and marched down the center aisle waving school lunch trays and chanting "The people's voices shall rise again."

Finally, a voice crackled through a hotel security radio with a belated warning that protesters were coming in "by the hundreds," prompting a cheer from the demonstrators, who represented 31 states.

Most of the startled county commissioners remained seated as hotel waiters delivered plates of chicken, potatoes and vegetables. The head table was abandoned when demonstrators overran it and took over the microphone.

"They are going to cut taxes on the right and then take food out of the mouths of children. We have to speak out," said Johnnie Pugh, a protester from Arkansas.

When it was announced that Mr. Gingrich had canceled his appearance, the protesters left. "You are not our target," one organizer said.

But not all of the county officials were so understanding. David Huffman, sheriff of Catawba County, N.C., said simply: "They're a bunch of deadbeats."

Taking the action back home

Following the Legislative Conference, ACORN members in Chicago, Jersey City, St. Paul, and around the country targeted Republican members of Congress for actions protesting school lunch cuts. In Baltimore, children led the chants and delivered a failing report card to Rep. Wayne Gilchrest. Pine Bluff ACORN members and kids visited Rep. Jay Dickey's home carrying empty lunch bags with slogans denouncing the cuts. On their way to Sen. Slade Gorton's office on a city bus, Seattle members got a great response from fellow passengers who signed their petition against the cuts. Members from across Texas descended on Sen. Kay Bailey Hutchinson's Austin office. Responding to their demands, the Senator's top aide said, by speaker phone from Washington, that Hutchinson does not favor block grants for the school lunch program. ACORN demanded a written commitment. Fifty children and 20 adults from DC ACORN visited the offices of Rep. William Goodling, who chairs the Committee that is cutting school lunches, and Rep. Newt Gingrich. Children read their letters telling the Congressmen "we need food so we can learn and have a future," then filled the halls of the Rayburn Building with chants as they marched out.

JOBS CAMPAIGN UPDATE

ACORN names Marriott "welfare cheat of the year"

After the protest that kept Newt Gingrich from addressing the National Association of Counties luncheon, ACORN members boarded buses for the headquarters of the Marriott Corporation in the Washington suburbs.

They arrived to find dozens of county police cars blocking all of the entrances, but undeterred, ACORN members rallied outside. Branding the company "the welfare cheat of the year" ACORN called for changes in hiring policies that discriminate against Blacks and Latinos and that interfere with union organizing.

Marriott is just one of many targets in ACORN's ongoing campaign to win jobs for residents of low income neighborhoods. What began as an effort to enforce the hiring requirement for HUD-funded projects has grown into a fight for jobs at all publicly subsidized housing and commercial developments.

Raising the minimum wage

In San Jose and Denver, ACORN members have upped the ante, demanding not only first source hiring agreements but livable wages. Fifty members marched on the San Jose Redevelopment Authority demanding that all jobs at subsidized sites go to low income applicants referred by community organizations and that wages be no less than \$7.70 an hour. The agency's executive director agreed to negotiations and with the issue receiving extensive press coverage, members of the city council are jockeying to be seen as campaign supporters.

Negotiations are also getting underway in Denver, where the Urban Renewal Authority distributes millions in subsidies to upscale hotels and retail shopping centers claiming that it is removing "slums and urban blight." With a march on the agency, 40 ACORN members charged that subsidizing minimum wage jobs in fact creates slums and blight. The director quickly agreed to negotiate.

At the national level, ACORN is challenging the Republican Congress to raise the minimum wage and pressuring companies like Marriott, which pay minimum wage while collecting huge public subsidies, to support the federal increase.

For information, contact Steuart Pittman, 202-547-2500

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ACORN

1970 **25** 1995
YEARS



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EL PUEBLO UNIDO**